

The NATIONAL UNDERWRITER

WE TAKE PRIDE IN PRESENTING OUR

FINANCIAL STATEMENT

AS OF JUNE 30, 1936

ASSETS		LIABILITIES	
Cash	\$ 98,433.67	Reserve for Unearned Premiums	\$ 690,326.14
U. S. Government Bonds	520,186.88	Reserve for Claims and Adjustment Expense	442,744.71
Public Utility Bonds....	270,506.25	Accounts Payable	5,198.84
Industrial Bonds	135,081.25	Reinsurance Payable ..	3,457.17
Railroad Bonds	4,060.00	Accrued Taxes	28,755.43
Stocks	350,210.50	Accrued Commissions..	111,570.32
First Mortgage Loans..	63,800.00	Dividends Declared....	7,500.00
Home Office Building..	80,000.00	Voluntary Reserve....	57,046.41
Accrued Interest	11,808.80	Total Liabilities	\$1,346,599.02
Premiums Receivable		Capital ...\$300,000.00	
(Under 90 Days).....	412,511.67	Surplus ... 300,000.00	
Total Admitted Assets	\$1,946,599.02	Surplus to Policy-holders	600,000.00
		Total	\$1,946,599.02

Bonds and Stocks at Actual Market Value June 30, 1936

ITEMIZED LIST OF SECURITIES IS FURNISHED WITH PRINTED STATEMENT

RATED A-PLUS IN BEST'S

Again reflecting our Consistent Growth in terms of Substantial Increases in Premiums, Assets, Reserves, and Surplus; for which we express our appreciation to all American States Agents.

Dudley R. Gallahue, President

Edward F. Gallahue, Sec'y-Treas.

AMERICAN STATES

INSURANCE CO.



INDIANAPOLIS

ONE OF AMERICA'S OUTSTANDING NON-CONFERENCE STOCK COMPANIES WRITING AUTOMOBILE INSURANCE EXCLUSIVELY

THURSDAY, AUGUST 20, 1936

PUBLIC ENEMY

No 5 Sickness



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-----------------------|----------------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR ACCIDENT | 10 MARINE DISASTER |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK |
| 4 PERSONAL ACCIDENT | 12 FALLING AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE CLAIMS | 14 RIOT or CIVIL COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |

The fear of serious or prolonged illness and its possible consequences is a NIGHTMARE that perpetually haunts the thoughts of the bread-winner responsible for the up-keep of the home. When despite our best efforts at prevention illness comes, the work and savings of a lifetime may vanish, while the DEMONS of worry and despair cruelly prod their victim. The worst sting of impaired health can be alleviated if in our days of health and vigor adequate INSURANCE has been provided to span the gap left by the inroads of sickness.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

SOUTH-WESTERN DEPT.

512 COMMERCE STREET, DALLAS, TEXAS

EN ROUTE — to the Morgue!

The America Fore Combined
and Comprehensive Auto Policies
are the only protection against
the reckless driver.

Are your clients covered?

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

SOUND STOCK COMPANY INDEMNITY

The age and reputation of an Insurance Company coupled with the character of its management are factors, which those entrusted with the property interests of others, take into consideration when insurance protection is selected with discrimination.

STATEMENTS OF DECEMBER 31, 1935

	Capital	Assets	Liabilities	Surplus to Policyholders
*UNITED STATES FIRE INSURANCE CO..... Organized 1824	\$2,000,000	\$30,122,242	\$11,609,515	\$18,512,727
*THE NORTH RIVER INSURANCE CO..... Organized 1822	2,000,000	21,495,010	6,879,512	14,615,498
*WESTCHESTER FIRE INSURANCE CO..... Organized 1837	1,000,000	17,865,830	7,588,755	10,277,075
THE ALLEMANNIA FIRE INS. CO. OF PITTSBURGH Organized 1868	1,200,000	5,190,467	1,735,949	3,454,518
*RICHMOND INSURANCE CO..... Organized 1907	1,000,000	4,521,016	1,397,070	3,123,946
WESTERN ASSURANCE CO., U. S. BRANCH Incorporated 1851	400,000**	4,258,797	1,676,710	2,582,087
BRITISH AMERICA ASSURANCE CO. U. S. BRANCH Incorporated 1833	200,000**	2,735,998	915,621	1,820,377
SOUTHERN FIRE INSURANCE CO., DURHAM, N. C. Incorporated 1923	200,000	1,426,317	421,688	1,004,629

*Company operates under Section 130-1-2 of the New York Insurance Law.

**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER MANAGERS

110 WILLIAM ST.

NEW YORK

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

CAROLINAS DEPT.
DURHAM, N. C.

Washington Agents in Live Wire Meet

Attendance Record Broken—Allan Wolff's Talk Is Drawing Card

ROSS NAMED PRESIDENT

Rate Stabilization Urged in Resolutions—Oppose Marine Forms Misuse—Want Standard Reserves

NEW OFFICERS

President — Terry L. Ross, Wenatchee.
Executive committee Chairman—Harry E. Briggs, Seattle.
Executive Secretary—Irwin Mesher, Seattle.
Secretary-Treasurer—Byron B. Hillen, Seattle.
National Councillor—C. B. White, Seattle.
Regional Vice-presidents — J. J. O'Brien, Spokane, and M. B. Hevly, Seattle.

SEATTLE, Aug. 19.—With well over 300 in attendance, the annual meeting of the Insurance Agents League of Washington established a new record in the Pacific Northwest. Topping a program of noteworthy insurance speakers was the convention's big drawing card, Allan I. Wolff of Chicago, past president of the National Association of Insurance Agents.

Terry L. Ross of Wenatchee, who has been chairman executive committee, was elected president, succeeding George R. Thieme of Seattle, under whose guidance the league's membership hit a new all-time high record of over 340. The report of James M. Blair of Puyallup, membership chairman, stated that this was the first time the league's membership exceeded 300. When the league's permanent office was established less than three years ago there were 217 members.

Want Rate Stabilization

In the resolutions a stand was taken on automobile liability rates. Attempts on the part of either bureau or non-bureau companies to break down the now existing parity of rates on this class was opposed. A similar resolution was adopted pertaining to fire rates. The National association's activities during the past year were endorsed and support was pledged the new Business Development Office. The direct writing tactics of certain companies were hit as well as the unethical practice of using illegitimate marine forms to cut rates on risks which essentially fall into the fire and casualty fields. Firing apparently at the method used by some mutuals for setting up their reserves, a resolution was passed urging that uniform requirements be observed by both mutual and stock companies. Governor Martin was

(CONTINUED ON PAGE 24)

Ten Outside Speakers for Iowa Agents Convention

AT DAVENPORT SEPT. 9-10

Ernest Palmer, Dillard Hall, Thomas Watters, Walter Meiss, Owen Wilson Among Those Scheduled

ANITA, IA., Aug. 19.—A program of addresses by 10 insurance personages other than members of the Iowa Association of Insurance Agents, as well as a schedule of important association business plus some attractive recreational features is announced by President R. W. Forshay of this place for the annual convention of the Iowa agents in Davenport Sept. 9-10.

The outside speakers are:
M. V. Pew, deputy commissioner of Iowa.

J. Dillard Hall of Baltimore, assistant agency director U. S. F. & G., formerly Iowa manager for that company.

Wallace Rodgers to Speak

Wallace Rodgers of Chicago, publicity expert for Western Underwriters Association.

Thomas Watters, Jr., Des Moines attorney and head of Social Security Service, the National Board organization.

Walter Meiss, New York, executive general agent London.

I. H. Ramaker, assistant secretary Security of Iowa.

C. E. Parks, Chicago, farm superintendent National and president Farm Association.

W. Owen Wilson, Richmond, Va., chairman executive committee National Association of Insurance Agents.

Ernest Palmer, insurance director of Illinois and president National Association of Insurance Commissioners.

N. P. McGovern, most loyal gander Iowa Blue Goose.

The completed program follows:

Tuesday, Sept. 8

7 p. m. Past-presidents' dinner.
8 p. m. Meeting of executive committee. Open house at "The Barn," Blackhawk hotel, courtesy Security Fire of Davenport.

Wednesday Morning

8:30 a. m. Registration. Breakfast meeting of executive committee.
10:30 a. m. Convention called to order—President R. W. Forshay, Anita.
Address of welcome—Past-president Eugene Walsh, Davenport.
Response—Vice-president H. P. Pratt, Sioux City.
Report of administration—President Forshay.
Report of secretary—John S. Cutter, Shenandoah.
Executive committee report—Chairman A. P. Speers, Centerville.
Appointment of convention committees.
12. Buffet luncheon.

Wednesday Afternoon

1:30 p. m. Convention reassembles.
1:40. Greetings from insurance department—Maurice V. Pew, deputy commissioner.
Greetings from fieldmen—N. P. McGovern, most loyal gander Iowa Blue Goose.
2:10. Report of accident prevention committee—Chairman Fred W. Colvin, Sioux City.

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Ask Bowen Not to Adopt Marine Definition in Ohio

COMMITTEE MAKES REPORT

Special Group of State Agents Association Declares Opposition to Proposed Classification

COLUMBUS, Aug. 19.—A special committee of the Ohio Association of Insurance Agents, which has been investigating the marine definition, this week made a report opposing adoption of the resolution in Ohio. The committee is headed by C. O. Ransom of Cleveland, the other members being H. O. Dunbar, Toledo; W. P. Dolle, Cincinnati; C. R. Laursen, Canton; W. S. W. McKean, Akron, Walter Burkley, Columbus. The committee has been at work on the study for a year. Recommending that Superintendent Bowen be asked not to adopt the proposed definition, the committee says:

Ohio Law Is Cited

"In its study of the subject your committee has been impressed with a corollary matter to which it believes it should direct your attention. Under sections 9592-1 to 9592-18, inclusive, G. C., known as the anti-discriminatory law, appear various provisions respecting rating bureaus and rates for insurance against loss by fire and lightning. It is customary to include under policies marine protection against loss by fire or lightning, from which we conclude that such insurance, and the companies which underwrite it, are strictly within the provisions of sections 9592-1 to 9592-18 to the extent of these coverages. Inasmuch as there have been instances in which insurance companies and others have shown an inclination to overlook this fact, we believe it would be well to bring this subject to the attention of the superintendent of insurance."

The report also says:

"Your committee believes that if insurance were a static thing, subject to neither change nor development, the adopting of a classification or list at a given time would present a situation

(CONTINUED ON PAGE 24)

Fire Losses Continue to Increase, July Up 16%

NEW YORK, Aug. 19.—Fire losses throughout the United States last month, the National Board reports, totaled \$22,357,020, greater by 10 percent than those for June, and an increase of 16 percent over July, 1935. The addition of the July figures brings the aggregate loss since Jan. 1, to \$177,847,952; as against \$155,754,260 for the first eight months of 1935. For the same period of 1934 the total was \$177,548,547. Comparative losses for the first seven months follow:

	1935	1936
January	\$23,430,504	\$27,729,930
February	25,081,625	30,909,896
March	24,942,763	29,177,406
April	23,267,929	25,786,835
May	21,238,205	21,479,380
June	18,499,675	20,407,485
July	19,293,619	22,357,020
Total 7 mos. ...	\$155,754,260	\$177,847,952

Palmer Appeased by Voluntary Cut

Fire Companies End Row With the Illinois Insurance Director

CITY HALL IS INCENSED

Reduction in Chicago 1 Cent Per \$100 or 5 Percent—Downstate Also Gets Lower Tariff

On the eve of the scheduled hearing before the federal court at Springfield, Ill., in the Illinois fire insurance rate reduction case, the Chicago Board and Illinois Inspection Bureau released simultaneous announcements that rates on the dwelling class are being reduced 5 percent. The day before this rate reduction announcement was made, the attorney-general's office announced that the state would seek an extension of time in which to file an answer to the injunction suit, restraining Insurance Director Palmer from enforcing his 10 percent rate reduction order. This reduction on the part of the insurance companies probably means an end to the rate controversy.

When Mr. Palmer first raised the issue about rate reduction, the report was that the matter could be settled by a reduction of 5 percent.

Rift Seems to Be Closing

The attorney-general's office, in announcing that an extension of time in which to file an answer to the injunction suit was being sought, stated that the reason for this request could not be disclosed. The impression is that the negotiations were then being brought to a close between Mr. Palmer and the fire insurance companies for a voluntary 5 percent reduction.

Observers are inclined to believe that the rift that has separated Mr. Palmer and the fire companies is not as wide as it was. An indication that relations are less tense is found in the fact that Hendrick Folonie of the Chicago law firm that represents the Western Underwriters Association is one of a committee of the Illinois Bar Association that is drafting an insurance code to be submitted at the January session of the Illinois legislature.

To Cut Fireproof Rates

The Chicago Board states that the reduction will be 1 cent flat per \$100 of liability in Cook county and will amount to about 5 percent applying to brick and frame dwellings with approved roof coverings when located in cities and towns having full fire department and water works protection. The reduction will become effective Oct. 1.

The board further announced its intention to reduce the fire insurance rates upon fireproof buildings rated under the general fireproof schedule, as soon as this proposal can be approved

(CONTINUED ON LAST PAGE)

Many Local Agents Prone to Overlook Opportunities

SHOULD SURVEY THE FIELD

Raymond L. Ellis of Fireman's Fund Group Addresses Washington Agents at Seattle Meeting

"Every agent would like to be headed up the 'Main Street' to greater opportunity and profit," said Raymond L. Ellis, assistant secretary Fireman's Fund group, before the Insurance Agents League of Washington in Seattle.

Regardless of size, every community has its "Main Street" and offers the "wide-awake agent inexhaustible possibilities for business production," he said. Asking how many agents had charted the various classifications of insurance that could be sold on "your 'Main Street,'" Mr. Ellis urged each to do so and apply the chart systematically, stating it was his firm belief that it would spur the agent to greater effort.

Two Factors Involved

"Any business can be divided into two elements—mechanical and human. Briefly, the mechanical element consists of: Quality of product or service, price, technical knowledge, location and advertising.

"Quality in your business means agency service backed by the character and strength of the companies you represent and price is the equitable premium that must be charged for quality insurance if it is to remain such. There can never be a substitute for quality and the successful agent 'over the long pull' sells up to quality and never down to price. How many instances do you know of where the leading agent in a community represents the 'cut rate' rather than the 'standard' type of company?"

The human element referred to by Mr. Ellis consists of: Personality, which reflects the next four; intelligent self-confidence, organized effort, knowledge of human nature and salesmanship, which embodies the first four.

"Commercial agencies agree that over 80 percent of all business failures are due to lack of knowledge and the proper application of these fundamental human elements. . . . Authorities state that but 10 percent of adverse circumstances are unavoidable. The average human being, then, has 90 percent control over circumstances that promote his physical, social and financial welfare. Therefore, barring those circumstances over which we have no control, we have it within our power to be above average—successful."

Mr. Ellis suggested the following factors to be used to grade one's own personality: "Personal appearance, conversation, friendliness, loyalty, courage, confidence, unusual qualifications, dependability, ideals of service, habits, manners, memory, self-control, complimentary attitude, optimism, will-power, tact and diplomacy and decision." He suggested an outline of organized effort, as follows: "Set a goal, acquire knowledge, develop ability to use that knowledge, develop constructive imagination, cultivate enthusiasm, get started and stay with it. There is nothing mysterious or complicated about salesmanship, but there is tremendously more to it than most people realize.

"You will grant that if you improved your personality, acquired a greater degree of confidence in yourself, organized your efforts more efficiently, enlarged on your knowledge of human nature; in short became a better salesman, your business would increase. Isn't this the answer in part at least, to your production problem? Try it; make your 'Main Street' a thoroughfare to greater opportunity and profit."

Colorado Association Will Meet at Denver Sept. 11-12

DENVER, Aug. 19.—The annual convention of the Colorado Association of Insurance Agents will be held here Sept. 11-12. President Frank England, Jr., will preside at the opening session. Among the speakers will be Arthur B. Dunbar, Omaha, member of the executive committee of the National Association of Insurance Agents, and Commissioner Ham of Wyoming. An important subject to come before the convention will be the agent's qualification law to be introduced in the 1937 general assembly. Hal D. Van Gilder will give a report of the proposed bill as chairman of the committee which made an exhaustive study and prepared the measure.

Following is a brief outline of the program as it now stands:

Sept. 11, 2 P. M.

Call to order, Frank England, Jr., president.
President's report.
Secretary's report, Floyd S. Padgett.
Treasurer's report, Reeve Burton.
Committee reports, agent's qualification law, H. D. Van Gilder.
Committee appointments by president: Resolutions, auditing, nominating.
Address—Arthur B. Dunbar.
6:30 P. M.—Dinner, Brown Palace Hotel, open to insurance fraternity. Herbert Fairall, toastmaster.

Sept. 12

Address, Arthur J. Ham, Wyoming commissioner.
Committee reports—Resolutions, auditing, nominating.
Election of officers and directors.
Round table discussion.
Adjournment.

Cox Michigan Legion Head

LANSING, MICH., Aug. 19.—Guy M. Cox, who operates a large agency at Iron River, was elected commander of the Michigan department of the American Legion at the convention here. All other candidates withdrew.

R. W. Stebbins in Hospital

Raymond W. Stebbins, president of the Mountain States Agency, Denver, is in a hospital there. A back injury suffered a number of years ago has confined him to bed.

Schedule Two More Speakers for Pittsburgh Convention

INSURANCE BUYER WILL TALK

A. M. Schmidt Featured—W. H. Stewart to Give Views on Contract Bond Matters

Two additional speakers for the annual convention of the National Association of Insurance Agents are announced, they being W. H. Stewart, well known local agent of Chicago, and A. M. Schmidt, insurance manager of the Johns-Manville Corporation of New York.

Mr. Stewart is president of Stewart, Keator, Kessberger & Lederer. He is chairman of the surety committee of the National association. The subject of his address will be: "Reduced Rates—Reduced Commissions—Increased Net Premiums for Companies on Contract Bonds."

Commissions Are Reduced

The National association states that the Towner Rating Bureau has been promulgating rates on contract bonds in connection with which the commissions are drastically reduced. The result has been, according to the National association, that the companies receive their normal premium and sometimes even more while the agent makes the entire sacrifice in behalf of lower rates.

In view of the seriousness of the subject, the National association states: "Mr. Stewart instead of giving a report on the subject as chairman of the surety committee, will give an address. There will be a discussion period following his talk."

Mr. Schmidt will appear on the program as a representative of Risk Research Institute.

Homestead Increases Capital

Stockholders of the Homestead Fire of Baltimore at a meeting Aug. 17 approved the recommendation of the directors that its capital be increased from \$500,000 to \$1,000,000, divided into 100,000 shares of \$10 each. Stock will be sold at \$20 per share, one-half the amount going to capital and the other to surplus. The Homestead is a member of the Home of New York fleet.

New State Association to Be Organized in Maryland

MEETING SET FOR SEPT. 16

President Bair and Chairman Wilson of National Organization to Assist in Perfecting Program

Every agent in Maryland will be invited to meet at the Emerson Hotel in Baltimore, September 16, to organize the Maryland Association of Insurance Agents, to become an affiliated unit of the National Association of Insurance Agents.

President Kenneth H. Bair and Chairman W. Owen Wilson of the National association will both be present to assist in the organization. It has been their ambition to help perfect an organization in Maryland and it now appears that at the annual meeting of the National association in Pittsburgh the week of Sept. 28, they will be able to report that ambition fulfilled.

Survey Made in State

Decision on the actual date and place of the meeting followed a preliminary trip into the state made by Assistant Secretary George W. Scott, and Assistant Counsel William T. Reed, Jr. They visited agents in Hagerstown, Frederick, Annapolis, Easton, Cambridge, Salisbury and Baltimore. They report enthusiasm for a state organization in all sections, with many agents definitely committing themselves to attend the organization meeting, which will be an executive session for agents only.

Maintain Direct Membership

For many years a number of Maryland agents have maintained direct membership in the National association. There are now 42 such direct members, forming a strong nucleus around which the state association will be built.

With formation of the Maryland association, the roster of state bodies affiliated with the National association will be almost complete. South Dakota now has a state association which is not affiliated with the National association, and there is no organization for the District of Columbia.

No preliminary announcement of presiding officer or other details of the initial meeting is expected as leaders in Maryland are confident these will take care of themselves if, as is anticipated, the response to the meeting call is sufficiently generous.

Fireman's Fund Assets Gain 3.8 Per Cent in First Half

The Fireman's Fund in its statement shows an increase of \$1,455,396 in assets for the first half year, or 3.8 per cent. with total assets at \$39,669,858. There is a gain of \$3,710,488 for the 12 months period ended June 30, or 10.3 percent. Liquidating value is \$77.64 a share, a gain of 4.4 percent over the approximate \$73.41 a share of December 31, and 12.3 percent over the \$69.10 of June 30, 1935.

Of the other companies comprising the Fireman's Fund group, the Home Fire & Marine's six month net asset gain was 5.5 percent, that of the Occidental, 5.4 percent, Fireman's Fund Indemnity, 8.2 percent and for Occidental Indemnity, 12 percent.

On the full 12 months' comparison, Home F. & M. gained 16.4 percent in book value; Occidental, 12.6 percent; Fireman's Fund Indemnity 14.2 percent and Occidental Indemnity 26.2 percent.

While earnings are not calculable from figures submitted at this time, inference is favorable. Fireman's Fund indicated net profit for 1935 amounted to \$2,758,246 or about \$9.19 a share, against \$6.52 in the preceding year. The company is on a regular \$4 annual dividend basis at this time.

THE WEEK IN INSURANCE

Illinois Inspection Bureau and Chicago Board announce dwelling fire rates are being reduced 5 percent, thus, it is believed, bringing an end to the fire insurance rate litigation in Illinois. **Page 3**

Insurance Agents League of Washington holds annual meeting. Terry L. Ross elected president. **Page 3**

Program is announced for annual meeting of Iowa Association of Insurance Agents. **Page 3**

Special committee of Ohio Association of Insurance Agents opposes adoption of resolution on marine definition in that state. **Page 3**

Removal of \$1 service charge in Chicago seems now to be assured and offers good possibility that a compromise may be reached with the brokers who are warring against the board. **Page 5**

A new state body, the Maryland Association of Insurance Agents, will be organized at a meeting in Baltimore, Sept. 16. **Page 4**

Opportunities overlooked by local agents pointed out by Raymond L. Ellis in talk before Washington agents at Seattle. **Page 4**

The Home of Hawaii is celebrating its 25th anniversary this month. **Page 8**

Motor carrier insurance rules issued by Interstate Commerce Commission. **Page 27**

Two additional speakers announced for annual convention of National Association of Insurance Agents. **Page 4**

National Bureau of Casualty & Surety Underwriters promulgates two new plate glass coverages. **Page 28**

Florida compensation rate hearing held. **Page 30**

Salvage as a factor in surety cases is discussed by J. H. Schisler of the Fidelity & Deposit in address before meeting of the International Association of Insurance Counsel. **Page 29**

New company to write compensation and surety business for road contractors on nation-wide basis is being organized in Michigan. **Page 35**

Oklahoma Insurance Board adopts standard policy for automobile liability and property damage. **Page 28**

Situation with reference to the Central Mutual of Chicago reviewed. **Page 35**

Announcement is made of several speakers who will address the big casualty convention at White Sulphur Springs in October. **Page 27**

New occupational disease rates and rules for Illinois are announced by National Council on Compensation Insurance. **Page 27**

Latest developments in the reorganization of the Pacific Mutual Life. **Page 28**

Life & Casualty of Nashville to declare a stock dividend of 33 1/3 percent. **Page 30**

Doom \$1 Charge in Cook County

Increased Minimum Premium and
Fee for Making Endorse-
ments Proposed

TO CUT FIREPROOF RATE

Brokers May Win on Service Charge
Issue but Won't Obtain
Other Objectives

Directors of the Chicago Board at a meeting Wednesday morning decided to call a special meeting of the membership Sept. 10 to consider changes in rates and commission and brokerage. The \$1 service charge matter was referred to a special committee. The letter from the Chicago corporation counsel demanding a 20 percent rate cut was received, will be acknowledged, and is under consideration by committee.

Leaders in the Chicago Board now express the belief that very shortly the \$1 service charge that has been collected in Cook county from those assured whose fire insurance premium is less than \$15 will be eliminated. The Insurance Brokers Association of Illinois has been crusading against this charge and at a special meeting last week adopted a resolution recommending that the members refuse to collect the \$1. This week the brokers' association advertised in daily papers that policies may now be purchased from members without paying the \$1. Company members of the board are either indifferent towards the matter of the \$1 charge or are opposed to it. The service charge has been favored by most of the class 1 agency members.

The proposal now is to eliminate the service charge and instead to increase the minimum premium, which is now \$3,

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Now It's Commissioner DeCelles of New England

Commissioner DeCelles of Massachusetts, not to be contained within the boundaries of the Bay state, journeyed to Hampton Beach, N. H., and in addressing the annual meeting of the New Hampshire Fire Chiefs Association issued a call for fire insurance rate reduction in New Hampshire and in all the New England states. To date, there has been no word as to the reaction of Commissioner Sullivan of New Hampshire to the invasion of his bailiwick, but executives of the New Hampshire Fire issued a statement to the effect that rate reductions for the state are not warranted.

Mr. DeCelles claimed that the fire companies are paying out in losses only 35 cents out of each dollar in New Hampshire. He said that for the past 25 years companies have never paid out more than 51 cents on the dollar for losses. He contended that the people in New England are a superior breed and don't commit arson.

Scouts Conflagration Theory

He challenged the theory that rates are needed because of the conflagration hazard. He said the companies have collected for the San Francisco conflagration 10 times over through the extra "2 percent charge."

He said the "high cost of insurance" is due to the expenses of the business and of reinsurance. He claimed that reinsurance is unnecessary.

Officials of the New Hampshire Fire pointed out that the 10-year average loss ratio for New Hampshire was 56.2 percent. Officials of the New Hampshire stated that their company never made an extra 2 percent charge as a result of the San Francisco conflagration and they said they never heard of any New England company doing so. As to the rise in the expense ratio, they said, it is due to the sharp drop in premiums.

The method of inspecting and revising fire rates in Massachusetts was criticised by Mr. DeCelles. He said there are 1,300,000 risks in the state and under present conditions the exchange would handle about 100,000 inspections annually. At this rate it would take 13 years to completely review the state, by

(CONTINUED ON PAGE 9)

Reach Thrifty Home Owner

E. C. Stone, in Response to Critic George Brown,
Contends That Real Production Opportunity Exists

BOSTON, Aug. 19.—It might be expected that it would be just such a "thrifty" Yankee as is Edward C. Stone, from Lexington Green, the birthplace of American liberty, United States general manager and attorney for the Employers Liability group, who would expound on the gospel of extending the agents' activities and emoluments by canvassing the "thrifty home owner" for miscellaneous lines.

However, George Brown, secretary Michigan Association of Insurance Agents, took issue with Mr. Stone in an article in the Aug. 6 issue of THE NATIONAL UNDERWRITER.

"I expected it," said General Manager Stone with an amused smile when questioned as to his reaction to Mr. Brown's criticism.

Cites Actual Results

"My first and conclusive answer is just this: Since I first suggested the idea to my own men, something less than a year ago, we have placed more than \$500,000 worth of this kind of business on the books of the company, and we are still going strong. So you see, it can be done.

"I really shouldn't say much about it at all," was Mr. Stone's first comment. "You see, it was a little plan we had worked out for our own men and we are not anxious to encourage our competitors into taking up with the same idea.

"However, there is no secret to the value of a certain volume of miscellaneous lines in any agent's office. We have always found the best kind of risk on our books to be the fire lines on what I call the 'thrifty home owner'—and in that category I include also the occupants of the better class of homes, and even of apartment houses.

"Very few home owners realize the value they have in their household effects. Very many do not even carry household fire coverage and it is quite certain that very, very few have resi-

dence liability, residence burglary, boiler liability and similar lines.

"If we have the fire risk on the home what more natural and desirable than that we protect the home owner in the other lines of which he hears very little and knows less?

"The trouble with my friend who doesn't see any money in the business is perhaps that he hasn't tried out the plan in the right territory. I had in mind at the outset that such a canvass should be made only among those having homes costing from \$20,000 to \$40,000 or \$50,000, occupied by responsible parties in the community, treasurers and assistant treasurers of corporations, vice-presidents of companies, and high salaried managers and salesmen. In almost every city there are new developments, I saw many of them in cities all over the middle west, and we have them here in the east, and the south, which represent the class of prospects I have in mind.

Tried It in Lexington

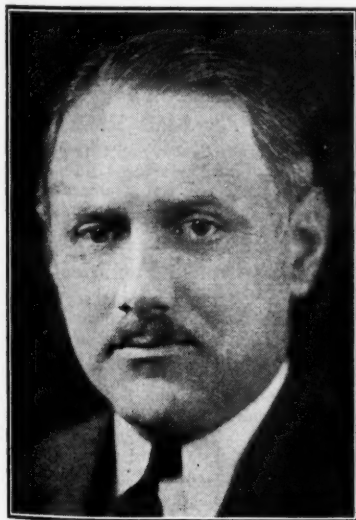
"Actually, we first tried out the plan in my own town of Lexington and it went well. Then we tried it in other localities with good effect. Recently I was in Cleveland and one of our representatives pointed out to me many homes in the Shaker Heights section where he carried the miscellaneous lines in question on many homes.

"In such residences a \$100 premium may be written and when one multiplies this to 100 such in a year, the commissions, which should be around \$2,000, is not an inconsiderable return to the agent.

"There is something of an advantage in these special accounts, too, for when one is lost it should not be hard to go out and get another. In fact, it should be much easier than trying to replace some big single risk on which an agent is dependent. A good number of these miscellaneous lines furnishes a fine backlog for the agent.

(CONTINUED ON LAST PAGE)

AGENCY GROUP LEADERS AT PITTSBURGH CONVENTION



THEODORE SAFFORD, Cincinnati

The National Association of Insurance Agents will feature group conferences at the Pittsburgh convention the week of Sept. 28. On one afternoon there will be group conferences for local boards arranged according to population. Theodore Safford, president of the Cincinnati Association of Insurance



JOHN J. ROE, Patchogue, N. Y.

Agents, will preside over the larger city group. Another afternoon will be given to group conferences where agencies are arranged according to premium income. John J. Roe, president of the New York Association of Local Agents, an agent of Patchogue, N. Y., will preside over agencies with premiums up to \$100,000.



W. P. WELSH, Pasadena, Cal.

William P. Welsh of Pasadena, Cal., will be the leader in group No. 2 of the local board conferences where agents from cities from 50,000 to 250,000 will gather. Mr. Welsh is president of the California Association of Insurance Agents and one of the leaders on the Pacific Coast.



L. C. HILGEMANN, Milwaukee

L. C. Hilgemann, secretary of the Leedom, O'Connor & Noyes Company of Milwaukee, who is president of the Milwaukee board, will preside over group conference No. 3, classified according to premium income. He takes the one representing agencies of \$300,000 in premiums or over.

NEWS OF FIELD MEN

Merbitz to Globe & Rutgers

Veteran Michigan Field Man Withdraws from Detroit General Agency to Take New Post

DETROIT, Aug. 19.—O. F. Merbitz, in the midwestern fire field for 27 years and in the Michigan field for 17 years, has withdrawn from the general agency of Finnell, Merbitz & Robinson to become special agent of the Globe & Rutgers Fire. He will assist State Agent Sam T. Johnson. Offices will be selected this week upon the arrival in Detroit of a Globe & Rutgers executive.

Mr. Merbitz began his insurance career in 1909 in the Chicago office of the North British & Mercantile under P. J. Moriarty, then chief clerk and now



O. F. MERBITZ

Detroit metropolitan manager of that group. In 1911 he was transferred to the New York office as special agent and in 1919 to Detroit as special agent under Mr. Moriarty.

General Agency to Continue

In 1923 he resigned to become Michigan state agent of Corroon & Reynolds, occupying that post until 1933, when he returned to the North British in the Detroit office. In the spring of 1935 he joined J. C. Finnell, former special agent of the Rhode Island and J. B. Robinson, former state agent of the same company, to form the general agency of Finnell, Merbitz & Robinson, supervising state agents for the Farmers Fire, Piedmont Fire, Reliable Fire, Century Indemnity and United Life & Accident.

The general agency will be continued by the two remaining partners under the style of Finnell & Robinson. J. C. Finnell has been in the field for 32 years, including eight years with the Fire Association in Chicago, joining the Rhode Island in Pittsburgh in 1926, and two years later came to Detroit as special agent. J. B. Robinson has been 38 years in the field, first with the Columbia Fire in the northwest, coming to Detroit as special agent of the Rhode Island in 1921 and later becoming state agent.

Gallagher Entertainment Chairman

Walter Plangman, American of Newark, Cleveland, new most loyal gander of the Ohio Blue Goose, has appointed Eugene Gallagher, Ohio Inspection Bureau, chairman of the entertainment committee. He has held this post under several administrations. The first affair of the fall season will be an open air party in Cleveland early in October.

L. N. Bowen With National

North British Man Becomes Detroit Superintendent for Hartford Company—Gabriel Retires

The National of Hartford has rearranged its Michigan territory because of the retirement of W. H. Gabriel, Michigan state agent. L. N. Bowen will have charge of Detroit and Wayne county, with the title of Wayne county superintendent.

Mr. Bowen heretofore has been state agent for the North British & Mercantile, devoting most of his attention to eastern Michigan. He has been connected with the North British about seven years, previously having been with the Michigan Inspection Bureau.

C. L. Zook, formerly special agent of the National, is now made state agent in charge of eastern Michigan outside of Wayne county. E. W. Bell of Negaunee continues as state agent in charge of the upper peninsula and the extreme northern portion of the lower peninsula. T. M. Nyholm of Lansing continues as special agent for western Michigan.

Special Agent Sabin Gets a Vivid Motivation Story

Fred H. Sabin, when moving from Indianapolis to Omaha a few days ago to succeed J. O. Jertson as special agent of the American in Nebraska, shipped his household goods by truck. In Iowa the truck upset, caught fire and was completely destroyed with the contents. With proper foresight Mr. Sabin was insured but, nevertheless is confronted with the necessity of replacing all his belongings, as he and Mrs. Sabin carried with them only enough clothing for the trip.

Alabama Field Club Meets

The Alabama Field Club held its monthly meeting in Montgomery Aug.

14 and made plans for the annual meeting and election of officers, to be held in Birmingham, Sept. 11. Howard J. Morris, Montgomery special agent, Hartford, is now president.

Barrett to Trezevant & Cochran

A. E. W. Barrett has been appointed Arkansas special agent of Trezevant & Cochran. He has recently been America Fore special agent for northern Louisiana but was stationed in Arkansas several years ago. He will make his headquarters in Little Rock.

Dakota Blue Goose Plans

The Dakota Blue Goose will hold its next meeting early in January at Aberdeen, S. D. Burt Burton, most loyal gander, expects to arrange for an outside speaker. Walter H. Mashek of Aberdeen is wielder of the pond.

N. J. Field Club Meeting

The last summer dinner-meeting of the New Jersey Field Club will be held at the Manasquan River Club near Brielle, N. J., Aug. 24. Starting with Sept. 28, all sessions will be held thereafter in Newark.

E. R. January Resigns

E. R. January, Illinois state agent of the Kansas City Fire & Marine, has resigned to take up the practice of law in Missouri. Pending the appointment of a successor, Vice-president O. P. Rush will cover the Illinois field.

Kellum With Commercial Union

J. M. Kellum has been named special agent at Seattle, assisting Stephen D. Hubbard in charge of the Commercial Union group in Washington and northern Idaho.

Get Back to South Dakota

George Freese, field man of St. Paul Fire & Marine in Kansas, who formerly traveled in South Dakota, has been a visitor in Sioux Falls, S. D., spending his vacation at his mother's home.

W. H. Boardman, state agent of the L. & L. & G., formerly in charge of South Dakota but now in Iowa, was also a visitor in Sioux Falls during his vacation.

AS SEEN FROM CHICAGO

MANUAL OUT NEXT WEEK

The manual of examinations for agents' and brokers' licenses in Illinois is now in the hands of the printers and is expected to be ready for distribution by the insurance department the latter part of next week. The production of the book was delayed somewhat due to several revisions being made. It is stated the manual will be distributed free to all applicants for license but due to the fact the appropriations for printing were rather restricted, a small charge may be made for general distribution.

* * *

WILL COLLECT TAX FROM BROKERS

Corporation Counsel Hodes of Chicago announces that he will ask the court to dissolve an injunction that was issued in 1933, restraining the city from collecting an annual license of \$25 from each insurance broker in Chicago. The injunction was issued on the basis of a decision of the Illinois supreme court to the effect that since the state had passed regulations for brokers and licensed them, the city could not perform the same function. Mr. Hodes is proceeding now upon the basis of the new agents and brokers licensing law of Illinois which mentions specifically that the power of the city to license brokers is not impaired. Mr. Hodes states that he will attempt to collect the back license fees, in view of the fact that the agents and brokers licensing law of Illinois under which the city was prohib-

ited from collecting fees, was declared unconstitutional about the middle of June of this year.

Mr. Hodes is banking on Paragraph 26, which is the final paragraph, in the new agents and brokers license law in Illinois which became effective July 1, and replaced the old law that was declared unconstitutional about the middle of June.

Paragraph 26 reads:

"Nothing in this act contained shall affect the power of cities and villages to tax, license and regulate insurance brokers. The requirement hereof shall be in addition to the requirement of any existing or future ordinance of any city or village so taxing, licensing or regulating insurance brokers."

Paragraph 26 was inserted in the qualification law at the last minute upon orders from the Chicago city hall. Brokers who were in Springfield at the time were aware of the move but they decided not to jeopardize the chance for enactment of the bill at that stage by making a fight against the Chicago city hall amendment. They told the representative of the corporation counsel who brought the amendment to Springfield, that they would not block the move if the city hall would agree to permit the brokers to have a voice in drafting an ordinance governing the licensing of brokers in Chicago.

The announcement of Corporation Counsel Hodes that he proposes to collect \$25 fees and back fees is not taken

seriously by the brokers. They feel that he is merely opening up the subject and that in the course of time an ordinance will be passed.

The leaders among the brokers believe that nothing will be done until after the election in November. They are willing to be licensed by the city and pay a fee if under the ordinance, some sort of qualification would be required of licensees and that it would not be merely a revenue measure. There are about 5,000 brokers in Chicago.

Representatives of the brokers' association conferred on Tuesday with Mr. Hodes on this matter.

* * *

MEMBERSHIP COMMITTEE OUTING

The membership committee of the Chicago Board had a golf outing Tuesday at Exmoor Country Club as guests of the directors. This is an annual event. Lester Kornblith of the Eliel & Loeb agency is chairman of the committee of six members. In addition to the committeemen, Manager Jay S. Glidden of the board, and William Hamilton, investigator of the board, attended.

* * *

G. O. P. COMMITTEE BUSY

Gail Reed, executive secretary of the Republican Insurance Committee of Illinois that is attempting to organize the political strength of insurance people throughout the state in an endeavor to "remove political influence from the insurance business," reports that the committee is receiving about 200 pledges a day and contributions of about \$40 a day. Last Friday a circular announcing the objectives of the committee together with pledge cards were mailed to practically all insurance people in the state.

The Chicago insurance district is being intensively canvassed. A worker has been assigned to each floor of the Insurance Exchange building and to several other buildings that have insurance tenants. About 50 people have definite assignments of this kind in Chicago.

* * *

NOW HAS OVER 900 ALUMNI

With the awarding of certificates to approximately 300 watchmen last week, Chief George Graves of the Chicago fire department's prevention bureau states over 900 men have attended the watchmen's school since it was opened in April. The next class starts Sept. 14. The school is free of charge to both the employer and watchmen.

* * *

Thor L. Swanson has resigned as vice-president of the J. M. Hogle agency of Chicago. He has not announced his future plans.

* * *

Paul L. Hald of New York City, president of the Insurance Executives Association, was in Chicago last week.

New Air Mail Ruling

The parcel post form and rate committee of the Inland Marine Underwriters Association has ruled that shipments by air mail are automatically covered by the parcel post form.

Hits Omaha Facilities

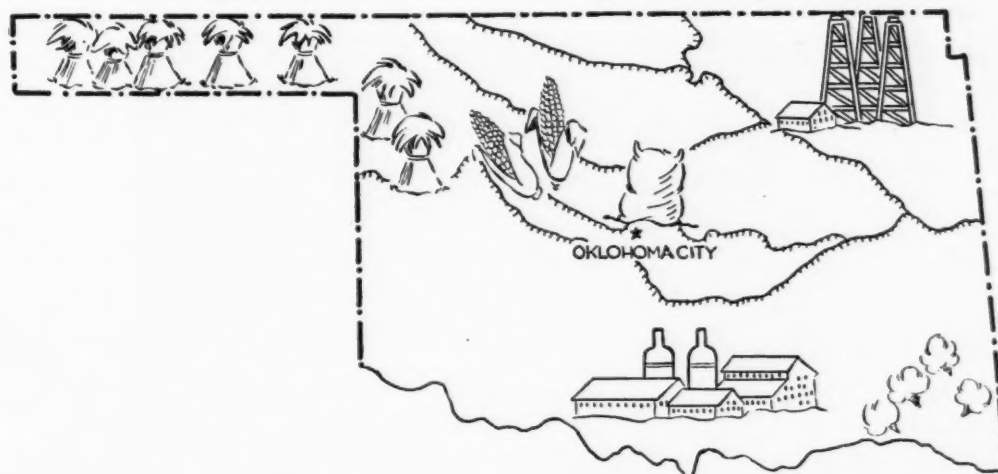
Frank Stanberry, resident representative of the National Board at Omaha, blames the recent reduction in the fire fighting force in that city for the heavy loss as a result of the fire that started in the Western League Ball Park. The park was completely destroyed and several homes in the vicinity were damaged, the total loss being about \$80,000.

J. C. Piver, Jr., to Seattle

The "Underwriters Report" of San Francisco announces that J. C. Piver, Jr., formerly secretary at San Francisco, has been made vice-president with headquarters in Seattle in charge of Washington, Oregon, Idaho and British Columbia.

V. W. Franks, Guttenberg, Ia., has been given suitable recognition by the American of Newark for 25 years' representation of the company.

■ A SALUTE TO THE STATE OF OKLAHOMA



Oklahoma has 70,057 square miles.....2.31% of the U. S.
 Oklahoma has 2,396,040 population.....1.95% of the U. S.
 Oklahoma—one of the leading states in the production of petroleum and natural gas.

The development of Oklahoma's fuel resources, coupled with the abundance of such minerals as gypsum, cement rock, asphalt, lead and zinc has caused a marked increase in the State's manufacturing activities in recent years.

Flour-mill and grist-mill products including graham, corn and rye flour together with all kinds of feeds slightly exceed in value the products of cotton-seed crushing.

Oil, found on Indian reservations, has brought riches to the wards of the nation, exceeding a total of \$247,000,000 for bonuses and gas and oil royalties paid in recent years.

Oklahoma insures, with the old established stock insurance companies, \$736,749,356 of its property values against fire and pays, annually, \$5,933,590.—1.29% of the premiums of the United States.

American Equitable Assurance Company of New York

Organized 1918

Capital, \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company

Newark, N. J.

Capital, \$1,000,000.00

Chartered 1849

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital, \$1,000,000.00

Established 1862

New York Fire Insurance Company

Incorporated 1832

Capital, \$1,000,000.00

Knickerbocker Insurance Company of New York

Organized 1913

Capital, \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J.

Capital, \$1,000,000.00

Incorporated 1928

Corroon & Reynolds

92 William Street

Incorporated
MANAGER

New York

One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.

HOME OF HAWAII'S ANNIVERSARY

The Home Insurance Company of Honolulu, Hawaii, celebrated its 25th anniversary, Aug. 10. Immediately after it started business it opened a small second floor office, had three employees and assets of \$50,000. Celebrating its silver jubilee it has 65 full time employees and \$1,220,000 of assets. Zeno K. Myers was the founder and manager. After his death the company acquired the services of Ralph E. Clark, well known in Pacific Coast fire insurance circles, as manager and under his leadership the com-

pany has gradually expanded. He instituted a modern fire insurance engineering service and he developed a well ordered claims department.

Mr. Clark also opened the public relations department and put in charge Kenneth W. Barr. That department took charge of publicity, advertising, business stimulation, etc. It has a monthly house magazine.

The Home next appointed a boiler inspector and safety engineer and introduced boiler and machinery insurance in

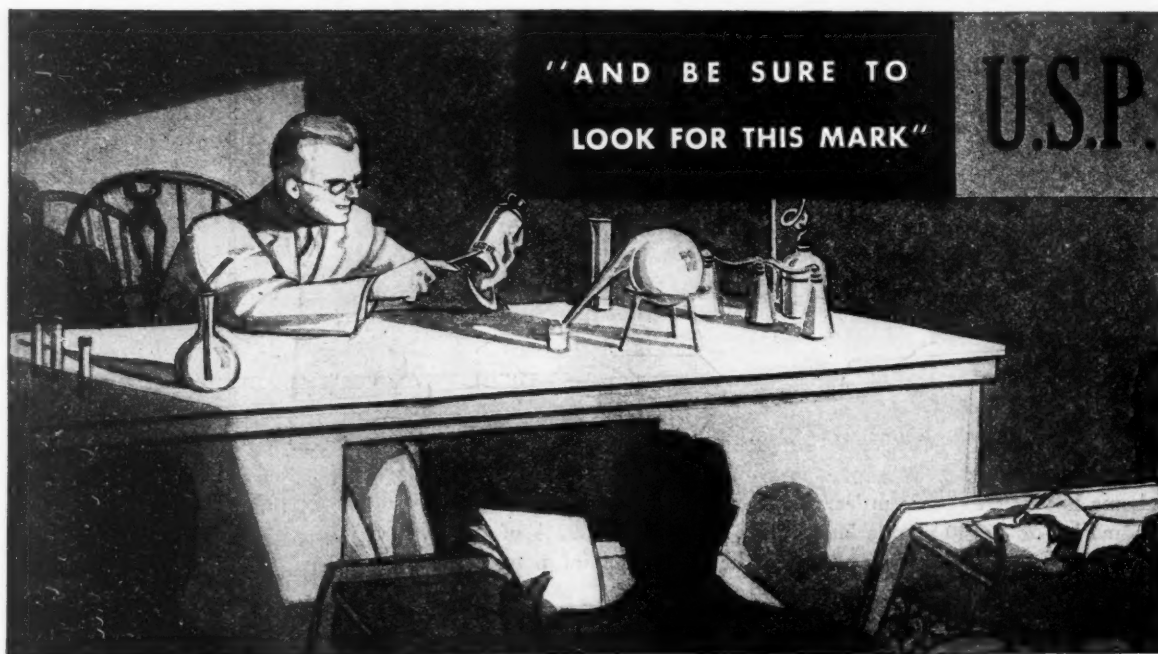
Hawaii. It has taken the lead in reducing traffic accidents. It was the inspiration for organizing the Honolulu Traffic Safety Commission.

Has Intensive Sales Program

Another important contribution to the company's growth has been its intensive program of sales direction among its field force. Manager Clark, believing that intelligent selling of insurance at least partly the answer to the lack of accurate information concerning insurance on the part of the general public, appointed Scott B. Brainard, secretary of the company and superintendent of the life insurance department, to direct

all sales activities. Regular sales meetings are held to sharpen up the field men's knowledge of various contracts and to organize their presentations of these contracts.

Officers are: President, F. C. Atherton; vice-presidents: J. R. Galt, W. H. McInerney, A. J. Campbell, J. S. McCandless and R. E. Clark; general manager, R. E. Clark; secretary, S. B. Brainard, and treasurer, A. L. Wooddell. Mr. Wooddell is superintendent of the casualty department. A. H. Matthew is superintendent of the fire insurance department, and F. A. Batchelor superintendent of the automobile department.

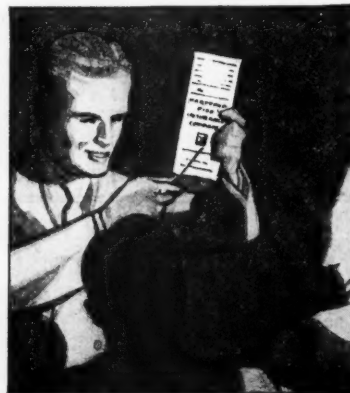


The accuracy and reliability of the conclusions at which a chemist arrives depend absolutely upon the purity of the reagents used in his experiments. He cannot afford to use chemicals other than those produced under conditions that guarantee they conform to definite standards of purity—indicated by the "U.S.P." label on the carton or bottle, signifying that it meets the strict standards of the United States Pharmacopoeia.

By label, too, dependable insurance can be selected. A "brand" of insurance that has met every conceivable test imposed on it by time and disaster for over 125 years, can well be recognized as a tested product. • The label that indicates this tested brand is the Hartford Stag, the trademark of an organization that always has met its obligations to its policyholders, even through the financial aftermaths of our five wars, seven panics and all conflagrations. It is a label a property owner is glad to see on a policy you hand him.



**HARTFORD FIRE
INSURANCE COMPANY**
HARTFORD • CONNECTICUT



By-Laws of Kansas Mutuals Are Iron-Clad, Court Finds

Under the Kansas law, the by-laws of a mutual company are made a part of the policy and if there is a by-law that the policy shall become void if foreclosure proceedings are commenced, the policy becomes void at the instant foreclosure proceedings are begun and there can be no argument about the matter. This was the decision of the Kansas supreme court in reversing the decision of the lower court and holding in favor of the Farmers Alliance in Martin et al. vs. Farmers Alliance et al.

There was a mortgage on the insured property. On March 27, 1934, a suit to foreclose was begun. In December of that year, the dwelling was destroyed by fire. One of the plaintiffs testified that as soon as he learned of the foreclosure he wrote to Farmers Alliance notifying it of that fact and stating if Farmers Alliance desired to cancel on account of the foreclosure proceedings, to do so and notify plaintiff at once. Witnesses for Farmers Alliance testified that this letter was never received. The trial court, however, found that Farmers Alliance did receive it. Nothing was done toward canceling the policy until after the fire when the company claims it first heard about the foreclosure.

The trial court ruled that when the insurer, knowing of the foreclosure proceedings, failed to cancel the policy, or if it did cancel it failed to notify plaintiffs that it had done so and failed to tender a return of the unearned premium within a reasonable time, it waived the rights under the by-laws to declare the policy void.

The higher court held that no action of the company was required to work the forfeiture. No officer had authority to waive the provisions of the by-laws. The only way for the policy not to become void was for agreement to that effect to be endorsed on the policy in accordance with the provision.

Bakes Decries Separation Move

BOISE, IDA., Aug. 19.—Commissioner Bakes of Idaho says if the fire agents and their companies are not satisfied with the present act regulating the business, then the only course open is to repeal the present law and be governed strictly by competition. He stated the agitation is principally on the part of special agents, which resulted in a so-called separation movement and was largely due to "an exaggerated case of jitters."

New Coast Commissioner Entry

SEATTLE, Aug. 19.—Col. George B. Lamping, prominent Seattle insurance man, was an 11th hour entry for Washington insurance commissioner on the Republican ticket. He is a brother of Sam B. Lamping, Seattle manager of the General group.

H. C. Youmans With Pearl

H. C. Youmans, who has been connected with the North British & Mercantile, has joined the Pearl in its New York brokerage and service department and will engage in general solicitation.

The S. S. Watson & Co., St. Albans, Vt., has purchased the E. L. Mason agency of that city. Mr. Mason died recently.

Now It's Commissioner DeCelles of New England

(CONTINUED FROM PAGE 5)

which time the first rates inspected would be out of date. The commissioner wants three or at least five-year revisions and the establishment of a method which would bring about a general rate revision in a shorter time.

Mr. DeCelles' visit to Hampton Beach, may result in the formation of a mutual fire company there. Leaders in the Hampton Beach Property Owners Protective Association heard what Mr. DeCelles had to say about high fire insurance rates and they have now decided to save the day and form a company of their own. J. D. Percival of Lowell, Mass., head of the protective organization, and J. D. Long, secretary of the Chamber of Commerce, discussed the project with Commissioner Sullivan of New Hampshire.

NEW YORKERS ARE PUZZLED

NEW YORK Aug. 19.—Fire insurance executives are puzzled by that portion of the address of Commissioner DeCelles in which he criticized the time consumed by fire companies in rating. What executives want to know is what percentage of the total risks referred to by the commissioner are in the dwelling class and what percentage of the risks referred are of the single tenant type. It's a fair assumption, executives say, that a large percentage of the re-rated properties are multiple tenant risks; each calling for a different rate. Rate-making, in order to be of service, must be competently done, and trained men are essential for the task. Mr. DeCelles offers no criticism of the methods employed by rating bodies, his challenge being simply of the time consumed in making revisions.

W. D. Hunt, One of Pioneers on Pacific Coast, Succumbs

William Dean Hunt, 67, one of the original members of the old Pacific Insurance Union, died in an Oakland, Cal., hospital following an illness of two months. Mr. Hunt was prominently identified with insurance pioneers on the Pacific Coast, having joined the old Pacific Insurance Union in the 1880's and when that organization was succeeded by the Pacific Board was identified with the new body for many years. In 1918 he left the board to associate with the office of Carl Henry. Mr. Henry, prominent Pacific Coast manager, handling the affairs of the Sun office and others, died about two years ago. Leaving the Sun office in the latter part of 1924, Mr. Hunt joined Seeley & Co., where he remained until 1934, at which time he retired from business.

Funeral services were held in Alameda, Cal. He is survived by his widow and a daughter, Mrs. J. A. Cassidy, wife of Vice-president Cassidy of Seeley & Co.

Form Seattle Brokerage Firm

The Northwest Insurance Brokers has been formed in Seattle, Wash., by Stewart Matthews, C. H. Richard and R. H. Byington. Mr. Matthews is associated with Bronson, Matthews & Co., prominent Seattle brokerage organization, with which he will remain affiliated. The other two members are operators of Byington & Richard.

Names Edward Brown & Sons

Edward Brown & Sons of San Francisco have been appointed general agents for the National Fire & Marine of Elizabeth, N. J., which has just been licensed in California.

Ask Walker Suit Dismissal

On the ground that the Hiram Walker Company failed to show a basis for its suit to collect for loss when one of its huge rack liquor warehouses at Peoria, Ill., burned in July, 1935, the fire companies filed a petition in federal

court in Chicago asking for dismissal of the action. The fire companies contend that the fire was preceded by collapse.

Takes on Life Agency

Roy D. Stearns, who has conducted a fire and casualty agency in Saginaw, Mich., for several years, has been appointed district manager of the Penn Mutual Life in Saginaw, Bay and Midland counties.

Neal Peebles, Searcy, Ark., formerly with the Bank of Searcy, will open an agency there Sept. 1.

Semi-Annual Statements

(From June 30, 1936, reports to the Georgia Insurance Department)

	Capital	Assets	Surplus	First 6 Months	
				Income	Disburse.
Automobile, Conn.	\$5,000,000	\$22,487,055	\$6,570,133	\$5,632,286	\$5,228,211
American Automobile	1,000,000	16,899,458	5,586,569	6,691,647	4,961,689
American Druggist	750,000	2,155,575	1,134,046	254,446	326,407
Fire Assn.	2,000,000	22,028,631	9,463,363	5,174,996	4,842,015
Philadelphia National ...	1,000,000	2,859,938	1,269,780	373,734	308,125
Pacific National	1,250,000	5,401,472	1,710,604	1,057,019	792,364
Reliance	1,000,000	4,028,376	1,984,492	528,212	436,248
Standard, Conn.	1,000,000	5,194,092	1,790,210	980,124	867,965
Trinity Universal	1,000,000	4,728,205	1,028,000	1,831,345	1,297,780

The business of making Friends

FOR eighty-three years the Agricultural has been in the business of reimbursing American men and women for property damaged by fire, wind-storm, or the like. And during all those eighty-three years we have been in the business of making friends. We like people and we like people to like us.

Agents tell us that we are easy to get along with. Certainly we try to be. We try to hold our correspondence to a minimum. We try not to burden local offices with unnecessary detail. Conversely, we try to conduct all our affairs on a human, friendly basis. We try always to deserve our nickname, "Friendly Folks."

One factor that has helped mightily is our field staff. Throughout the country, our men measure high in training, experience, and desire to cooperate fully. Their average length of service with the Agricultural Group is 14 years. They know local agents' problems and are ever ready to help find a sound solution. And here are the men . . . and their office addresses—

HOWARD C. ANGER
Box 224, Bronxville, N.Y.
J. E. BOURCY
304 Trust Co. Bldg., Watertown, N.Y.
N. B. BROWNE, JR.
Box 393, Grant Bldg., Atlanta, Ga.
R. E. EISERT
1132 Prudential Bldg., Buffalo, N.Y.
R. K. EVERDELL
401 Market Square Bldg., Harrisburg, Pa.
E. B. FRALEY
225 American Natl. Bk. Bldg., Richmond, Va.
E. S. FREEMAN
1051 So. 29th St., Omaha, Neb.
J. J. GARLAND
49 Montgomery Place, Brooklyn, N.Y.
A. L. HOLLENBECK
Agricultural Home Office, Watertown, N.Y.
E. C. JESSUP
1105 Home Svcs. Bk. Bldg., Albany, N.Y.
H. H. LANDON
Box 675, 44 Vernon St., Springfield, Mass.
J. D. LeTEER
227 Rialto Bldg., Peoria, Ill.
WILSON LIVERY
405-406 First Natl. Bk. Bldg., Columbus, Ohio
PAUL LOVE
1721 Republic Bk. Bldg., Dallas, Texas

PAUL ZOELZER
900 Northwestern Bk. Bldg., Minneapolis, Minn.

H. E. MILLER
Abell Bldg., South St., Baltimore, Md.
WHARTON MITCHELL
719 Stovall's Professional Bldg., Tampa, Fla.
STUART MORGAN
523 Sunset Lane, East Lansing, Mich.
JOSEPH MOTTET
205 Walnut Place, Philadelphia, Pa.
R. C. PARKER
41 Pearl St., Boston, Mass.
G. C. PEACOCK
537 N. Water St., Milwaukee, Wis.
W. P. PHILLIPS
Box 211, Lawrence, N.Y.
WM. RARDIN
826 Union Trust Bldg., Cleveland, Ohio
E. R. SEAVER
1101 Keystone Bank Bldg., Pittsburgh, Pa.
C. W. SHERWIN
1006 Sharp Bldg., Kansas City, Mo.
T. E. SNELLING
133 Brevard Court, Charlotte, N.C.
L. E. TANNER
546 Illinois Bldg., Indianapolis, Ind.
A. F. TURTON
49 Clinton St., Newark, N.J.
H. W. YANKEE
1006 Sharp Bldg., Kansas City, Mo.

It is our hope and belief that as they come to know these men better, more good agents will want to work with them.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

Every type of property insurance for industry and the home



CASUALTY FIDELITY SURETY

Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.

CAPITAL \$1,000,000

Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.

**INDEMNITY
INSURANCE CO. OF
NORTH AMERICA**
PHILADELPHIA

VIEWED FROM NEW YORK

By GEORGE A. WATSON

HARRISON, JR., IN NEW YORK

Will H. Harrison, Jr., is now with the head office of the Royal-Liverpool group in New York City. Until recently he was doing special work for various Chicago insurance offices while attending business school at Northwestern University. He is a son of W. H. Harrison of Des Moines, state agent of the National of Hartford.

* * *

WILL SERVE ON COMMITTEE

Hart Darlington, United States manager of the Norwich Union Fire and president of the Norwich Union Indemnity; T. I. Parkinson, president Equitable Life, and L. Seton Lindsay, vice-president New York Life, are among those selected to serve on the committee designated "civic vigilantes," which has just been established by Mayor La Guardia and Special Prosecutor Dewey. The function of the committee will be to give unofficial assistance to law enforcement in New York City and keep a watchful eye on the prosecution of crime.

* * *

LITTLE DEMAND FOR RIOT

There is little call for riot and civil commotion coverage in the east, despite the prediction of labor trouble in the newspapers. A number of inquiries regarding the coverage are being made with the suggestion that the \$500 deductible feature be waived, a proposition that does not appeal to underwriters. The line is a desirable one and companies generally would be glad to write it in considerable volume if the demand existed. When the coverage was first introduced it was hoped that large industrial concerns might carry the protection continuously and a sizeable annual premium income develop. However, such business is now being written for limited periods and only when there are possibilities of labor disturbance.

* * *

TO COOPERATE ON EXCESS

The administration of the New York Fire Insurance Exchange is thoroughly in earnest in its determination to end the payment of excess brokerages as evidenced by the reputed imposition of substantial fines upon 7 members convicted of the practice. The responsible committees at the same time are working upon the preparation of a form of pledge obligating observance of the exchange broker rule, that will prove acceptable to Insurance Superintendent Pink.

The sober heads in the exchange strongly counsel prompt and sincere co-operation with the insurance department, arguing that unless such support be voluntarily given, legislation will be granted at Albany of a far more rigorous character than any the exchange might adopt.

* * *

LARGE FIRES IN JULY

The New York "Journal of Commerce" lists the following fires in July causing \$100,000 damage or more:

Newark, celluloid factory, box lumber plant, forging works, \$200,000; Lawrence, Mass., plate glass plant and two other business buildings, \$100,000; Union Township, N. J., warehouse, \$100,000; Cairo, N. Y., summer hotel, \$200,000; Long Beach, N. Y., summer resort, \$1,000,000; Mespeth, L. I., macaroni plant, \$100,000; New York City, church, \$350,000; Purchase, N. Y., dwelling, \$100,000; Charleston, W. Va., five business buildings and hotel, \$330,000; Mobile, Ala., marine specialty plant, \$300,000; Houma, La., business block, \$150,000; Picayune, Miss., lumber plant, \$400,000; Houston, rice milling company and warehouse, \$115,000; Chicago, ice cream company offices and garage, \$250,000; Joliet, Ill., school, \$100,000; St. Joseph, Ill., railroad round-house,

\$200,000; Richmond, Ind., lumber company and storage plant, \$100,000; Cresco, Ia., lumber yards and grain elevators, \$100,000; Des Moines, motor freight terminal, \$100,000; Oyens, Ia., business block, \$100,000; Remsen, Ia., business section including 20 buildings, \$300,000; Chanute, Kan., school, \$150,000; Leavenworth, Kan., grain elevator, \$500,000; Olathe, Kan., armory, \$336,000; Betsy-layne, Ky., coal plant, \$100,000; Pryse, Ky., refinery and railroad, \$100,000; Grand Rapids, Mich., club house, \$100,000; Port Huron, Mich., foundry, \$100,000; Aitkin, Minn., cooperage company, mill and dry kiln, \$100,000; Redwood Falls, Minn., school, \$100,000; Kansas City, ice plant, \$200,000; Troy, O., business block, \$100,000; Jefferson, Wis., malt company and grain elevator, \$150,000; Bristol Bay, Alaska, cannery, \$500,000; Napa, Cal., school, \$250,000.

* * *

LARGEST GRADUATING CLASS

Secretary E. R. Hardy of the Insurance Institute of America announces that 297 students completed an institute course this year and will receive a final certificate. This is a larger number than has ever before been graduated in any one year. There were nine who completed a course in Connecticut, 10 in Massachusetts, 14 in Maryland, 36 in New Jersey, 104 in New York, six in Pennsylvania, one in Alabama, four in Georgia, one in Louisiana, two in Mississippi, one in Texas, 28 in Illinois, two in Indiana, three in Iowa, one in Kansas, one in Minnesota, one in Ohio, three in Wisconsin, 10 in California, 11 in Washington, 12 in British Columbia, 32 in Manitoba, three in Ontario and two in Saskatchewan.

The Insurance Institute announced the prize winners of \$20 in each of the five branches of insurance. In the casualty branch, the winner is A. C. Anderson, local agent at Madison, Wis.

In the fire branch the winner is John R. Wright, who is connected with the General of Seattle at the head office.

In the marine branch, the winner is R. A. Murphy of Chubb & Son and the surety prize goes to P. G. Andrews of the Indemnity of North America in New York City.

* * *

REPORT OF CENTRAL BUREAU

Unpaid earned premiums of fire companies reported to the Central Bureau of New York in March of this year amounted to \$18,905, decrease of \$5,095 as compared with the same month a year ago. Unpaid earned premiums of casualty companies were \$74,012, decrease \$25,242.

Two Speakers Are Announced for Advertising Conference

At the Insurance Advertising Conference's annual meeting at the Westchester Country Club, Sept. 14-16, Colonel Harold Fowler, deputy police commissioner of New York, will detail the methods and results obtained in New York City in its present safety drive to keep down street accidents.

Another speaker will be J. A. Robinson, insurance manager of McKesson & Robbins, Inc., of New York, who will discuss the buyer's attitude towards all forms of insurance.

The Farmers Mutual Protective Association of Southern Van Buren county, Ia., has changed its name to the Farmers Mutual Insurance Association, with place of business at Keosauqua, Ia.

TWO FIELD MEN WANTED

An American company desires to employ a special agent in Illinois and one in Minnesota. It seeks a man in each state who knows the particular field and has a following. An opportunity is at hand for two men who are not afraid to work. ADDRESS D-60 NATIONAL UNDERWRITER.

Doom \$1 Charge in Cook County

(CONTINUED FROM PAGE 5)

and to introduce a charge for making endorsements.

The brokers' association at the same meeting at which it adopted the resolution against the service charge, adopted a memorial recommending that members no longer consider themselves "bound by the rules of the board," and offering the facilities of the organization in the defense of any broker who is caught in a violation and is prosecuted.

It may be that the Chicago Board will knock out the \$1 service fee and that the brokers in return will rescind their resolution about not being bound by the rules. The latter resolution is regarded as a rather clever tactical move. It was adopted instead of the resolution that was originally favored of recommending that the members resign from the board. The adoption of the resolution did not create an immediate issue and there will be no issue until some broker violates the rules and is caught at it, yet the resolution had quite a moral effect and is a continuing threat.

To Call Special Meeting

The next regular quarterly meeting of the board does not come until October, but it is very likely that a special meeting will be called as soon as possible to act on elimination of the service charge, substitution of an increased minimum premium, endorsement charges and some other changes.

At that special meeting action will be taken on the matter of reduction of rates upon risks of the fireproof class. When that proposal was brought before the membership at a special meeting some time ago, the reduction in rates was approved, but due to the opposition that developed to the reduction of commissions upon the same class, the meeting was adjourned. The reduction would have been voted at the quarterly meeting in July had it not been that just at that time Insurance Director Palmer of Illinois entered his demand for a 10 percent cut in dwelling rates, and leaders decided to defer action on fireproof rates.

It is now likely that the commission reduction question will be divorced from the rate reduction proposal.

It may be that the commission reduction will be accomplished in a less provocative manner by transferring the classification of office buildings, theaters, city clubs, etc., from minimum tariff to ordinary. The commission to class 1 agents on minimum tariff business is 35 percent while on ordinary business it is only 25 percent.

Another change that will be submitted is removal of the differential in rates for the extended coverage endorsement between various territories in Cook county. At present the rate is 12 cents for Evanston, Oak Park and Chicago and 16 cents for other places in the county. The proposal is to make the charge 12 cents throughout the county.

Leaders among the brokers are now saying that what they want is to have the board give some special recognition to the full time insurance producer. They say that some distinction in the way of commissions paid should be made between the full time broker and the part timer. They want a separate class of membership set up for the full time broker. They take the position that class 1 members have hedged themselves about with various forms of protection, but that there is little protection for the brokers, since the class 1 members set up in business anyone who controls some business.

The conservative members of the brokers' association are hopeful that a settlement can be reached through the councils of the board instead of by overt conflict.

Some of the company men are now talking of the possibility of converting Chicago into a straight brokerage town on much the same basis as is found in New York. That is, all producers would have the same rank and would receive

a commission of perhaps only 15 percent.

The directors of the Chicago Board met Wednesday of this week instead of the regular meeting day, which is Thursday.

The companies are watching the Chicago Board situation very closely and if the disturbance that is being engendered by certain leaders in the brokers' association becomes serious, the companies state they will not hesitate to take mat-

ters in their own hands. The companies will not consider for an instant the idea of having brokers on the directorate of the board or having them as committee members. Even if agency members of the board were disposed to make some concessions to the brokers, the companies would probably assert themselves negatively.

Some of the class 1 agency members are strongly opposed to abandoning the \$1 service charge. They don't want to appear to capitulate to the clamor of the brokers.

Drought to Cut Premium Volume
SPOKANE, WASH., Aug. 17.—

Drought will play an important part in reducing the premium volume of insurance in eastern Montana, according to W. W. Gilmore, vice-president and Pacific Coast manager of the London & Lancashire, after a three-weeks survey in eastern Montana. He says 80 percent of the cattle in that section have been shipped out and people will be obliged to borrow money to buy new stock.

Coast Veteran Dies

Almon J. Hall, head of his own independent adjustment company in Portland, Ore., and veteran in insurance circles for over 35 years, died.

THREE VALUABLE AIDS FOR AGENTS That No Other Company Offers

What would you say are local agents' major problems today? . . . It seemed to us that there are several important ones: The coercion, by financial and manufacturing institutions, of insurance on interests beyond their own—particularly the insurance on financed automobiles. . . . Mutual and reciprocal competition. . . . The costly practice of splitting the insurance of one assured among a number of local agents. . . . The influx of incompetent agents, getting business because they say they're "just as good" . . . The increasing costs of agency operation.

So we set to work to help you solve these problems. The results of our study are no panacea for all your troubles. It isn't possible for a company to help agents solve even most of their major problems because so many are local in nature. But these three booklets, the results of more than a year's research in the aggregate, WILL be of practical value in helping you solve for your agency the problems mentioned above.

► There is just one practical plan by which agents may recover new automobile insurance premiums. This plan is outlined in our booklet called "A Profitable Thought, Mr. Banker". It involves no cut commissions, no rebates, no complicated contracts. It provides coverage as satisfactory to the assured as does any finance company, and better than many, plus superior local insurance service which no national finance company offers. This new plan makes available a practical basis upon which automobile sales may be financed by local banks and the insurance written by the automobile buyer's own insurance agent. The booklet will tell your banker how and why he should use this modern, profitable plan.

► Eleven hundred manufacturers and wholesalers in 45 cities in 40 states told us what insurance they have in force, what they pay annually for insurance, what their insurable hazards are, and through what sources they buy insurance. These firms were so selected that the resulting figures give an accurate picture of the insurance buying practices of the leading 12,000 manufacturers and 10,000 wholesalers in America. The facts are available in a sales portfolio called "Why ONE GOOD Insurance Man".

The completed questionnaires were divided into groups of firms that bought insurance by what were proven to be the most economical methods, and by wasteful buying methods. Those firms utilizing the indicated economical buying plan use the least mutual coverage. In other words in the average case it is not true that the use of mutual insurance cuts annual insurance costs.

When your favorite store gives you five percent of its insurance, and an equal amount to each of nineteen other agents who trade there, that's known as reciprocity—or just swapping. The only thing good about the practice is that instead of having to sell insurance you just have to buy some clothes. Our study of insurance buying proved that an assured gets nearly twenty percent more for each insurance dollar by entrusting ALL his

insurance problems to one good insurance agent. Those buyers who split their insurance among a number of agents are paying for the privilege.

Good agents have long made insurance surveys and often they have been able to prove that those assureds who have surveys made periodically get better coverage and save money. Our study of the insurance buying practices of America's leading manufacturers and wholesalers showed that 15,400 firms that have surveys made periodically get 20 percent better protection for 22 percent less money than do 6,600 firms who don't avail themselves of such service. These figures will help you to demonstrate to important prospects that there are real differences between the service rendered by a competent agent who knows his job and that given by somebody's poor relation.

► There is just one state in the Union where registered mail cancellation is required by law: Iowa. Elsewhere we have authorized the cancellation of fire and automobile policies by first class mail, costing the agent three or four cents each, instead of the old registered mail method costing nearly ten times as much. Agents representing our companies save, on ten cancellations, the equivalent of the commission on a good-sized contents policy. We have available a little booklet outlining the legal and practical basis for this new money-saving plan. The new forms have not been copyrighted—we are glad to make this contribution to the progress of our industry.

Here, then, are three new services, prepared by us for American agents. To interested agents who write us on their business stationery we shall be glad to send copies of any one or all three of these booklets. There is no obligation.

The LONDON ASSURANCE

The MANHATTAN
Fire and Marine Insurance Company

The UNION FIRE
Accident and General Insurance Company

Ninety-Nine John Street New York

EDITORIAL COMMENT

Status of Local Agencies

NOTWITHSTANDING the great burden that has been on local agents since the financial and economic collapse, the situation has improved greatly. Undoubtedly there is being manifested an illustration of the "survival of the fittest" principle. Agencies that have readjusted themselves and are being conducted along systematic and intelligent business lines are able to meet their obligations without difficulty and are building more solidly than they have in former years.

The difficulty with some offices is that they have been run on a hit or miss plan. A local agency should be conducted according to the most intelligent business methods. In numerous instances agents have neglected their collections. They have been too lenient and have cultivated delinquent policyholders. They have allowed cus-

tomers to leave insurance bills unpaid while others have been paid.

The very pressure of the times has forced agents to revamp their system of doing business if it has been unsatisfactory. The fire has burned much of the dross. The local agents as a whole are giving a very good account of themselves. They have all ascertained that a local agency to be successful must be handled in a thorough going business-like manner and that one's budget, in a personal and agency way, must be so built as to include only the commission part of the premium and should not involve any of the money belonging to a company. In fact, more and more local agents are not mingling company and agency funds. The company part of the income is set aside purely as a trust fund and it should be so regarded.

The Beautiful in the Day's Experience

THE other day a very matter-of-fact business man, one not given to emotionalism, caught an acquaintance in the lobby of a hotel and invited him to ride out to a park. En route the bidden guest realized that his friend had passed through a trying, devitalizing day, hours spent in strenuous and heated conference. It had been a day of strain when those more cruel characteristics in men presented themselves in a prominent way.

The two sat on a bench, the night was clear, the sky deeply blue and the stars resplendent. Not much was said in conversation. The man who had been buffeted about during the day seemed to find solace in his quest upward.

On the return, the man who had become overwhelmed by the oppressions of the day was radiant in his spirit and positively joyous in his expressions.

Being pressed to state the cause for the changed mood he said:

"I never allow a day to close, however depressed, angry or confused I am, without witnessing something beautiful or coming into spiritual contact with something beautiful. That serves to transform my outlook. It brings me back to the loveliness of life, which after all, is so near by."

And that man's philosophy is sound for us all and one well worth cultivating. We have so much of the dross. Our lives are so full of conflict, of striving for the material, trying to advance our own cause, seeing the ugly in others and frequently showing it in ourselves, that contact with beauty is transforming. These inspiring and uplifting experiences fortunately are within easy reach. It may not be so difficult, after all, to close every day with a glimpse of the beautiful.

Doing Small Things Well

EMPLOYERS agree that one of the greatest training influences for employees is to require small details to be done thoroughly and carefully. Larger responsibilities will not be imposed until it is

proved that these little duties are dispatched and attended to regularly and accurately. It is a great thing not to overlook the doing of small things well.

Developing Community Sentiment

IN SOME so-called unprofitable sections for fire and casualty insurance it is found that a very material contributing cause to the unfortunate condition is the indifference of a community to what might be termed neighborhood pride. For instance, there may be a number of damage suits filed for alleged injuries which

are more or less trivial. The fire loss ratio may be heavy. Even when local agents are appealed to in order to engender a deeper sense of community pride and endeavor to change its reputation, they have the same sentiment imbedded in their nature that the people at large have. They let accidents happen

or property burn and then expect the insurance companies to foot the bill.

So far as accident or fire prevention is concerned, they have little or no interest in it. When insurance companies are confronted with community sentiment of this character they find them-

selves against a stone wall. After all, community self respect means much. The town or city that takes great pride in its reputation is sensitive to criticism. It desires to have the good will and credit of every great enterprise and will not tolerate such laxity.

Gaining Customer Confidence

INSURANCE salesmen realize the necessity of holding their customers and this can only be done by giving the best kind of service, being conscientious and hon-

est in all their endeavors. Once an insurance man gains the confidence of his policyholders he has acquired an investment that is well worth while.

PERSONAL SIDE OF BUSINESS

Mrs. Emma Rattermann Kleve, wife of Carl Kleve, II, Cincinnati local agent, died after an emergency operation.

R. D. Langan, Louisville local agent, and dyed in the wool football fan, is undertaking the promotion of the Louisville Bourbons, professional football team, which blew up in mid-season last year.

Ben W. Cabbage, 53, Pleasureville, Ky., local agent, a member of the firm of Cabbage & Swope, was drowned in the Kentucky river at Monterey, when his car plunged through the end of a ferry boat and sank in the stream. He had been in the insurance business for 25 years.

Miss Agnes Weed, daughter of Paul Weed of Weed, Parker & Co. agency, St. Paul, was married there to Charles H. Stoddard, Jr., St. Paul.

A. F. Powrie, western manager of the Fire Association and president of the Western Underwriters Association, and W. P. Robertson, general western manager of the North America, are vacationing together in their favorite state of Michigan. They are ardent alumni of that state and get back for reunions at every opportunity.

W. P. Fischer, West Palm Beach, Fla., publications editor and past president of the Florida Insurance Agents Association, was married recently.

Robert S. Boothroyd, one of the newer local agents of Ithaca, N. Y., is well known among agents of that and other states for his musical ability. At the meeting of the National Association of Insurance Agents in Rochester last fall Mr. Boothroyd entertained a number of the visiting delegates with his vocal selections, and next month he is scheduled to appear before the annual convention of the New Jersey Association of Underwriters.

W. H. Hoblitzell, cashier of the Lisbon Trust & Savings Bank of Lisbon, Ia., who died at the age of 53, was for several years vice-president of the L. H. Stubbs & Co. agency of Cedar Rapids, Ia. A son, A. C. Hoblitzell, is secretary of the Stubbs agency. Blood poisoning following a facial infection caused the death of W. H. Hoblitzell. He was engaged in the banking business at Skidmore, Mo., for 35 years. He retired from that business in 1930 and went to Cedar Rapids with the Stubbs agency.

In 1934 he reentered the banking business in Lisbon.

Among the pallbearers was Will H. Harrison of Des Moines, Iowa state agent for the National.

Frederick W. Barker, chairman executive committee of the Excelsior of Syracuse, accompanied by his wife and son, returned this week from a European trip during which they visited a number of foreign countries this summer. For Mr. Barker it was a combined business and pleasure trip, and he reports having had a wonderful time. Mr. Barker is also vice-president of the First Trust & Deposit Company of Syracuse, the largest bank in central New York.

Col. Frederick Hickman, former president of the New Jersey Association of Underwriters and a prominent local agent of Atlantic City, is chairman of the hospitality and entertainment committee for the National Safety Congress which will meet there in October.

H. Z. Ward, 70, former Grand Rapids agent, died at his home in Ada, Mich., following a long illness. He was active in the Grand Rapids insurance field for some 30 years but had retired from active business life about eight years ago.

S. E. Day of Sabula, Ia., has represented the Continental and Connecticut Fire continuously for 53 years. He is inclined to believe this makes something of a record. He has represented the North America for 36 years and has had several other companies in his agency for many years.

Robert Gottschalk, Sr., 74, president Robert Gottschalk, Inc., New Orleans, was stricken with a heart attack in his office and died a few minutes later. A native and life-long resident of that city, he entered the insurance business in 1886 in the office of Peter F. Pescud and remained with that agency until 1917, when he organized his own company. He was one of the organizers and at one time a vice-president of the New Orleans Insurance Exchange.

S. W. Philpott, secretary of the Oklahoma Insurance Board, who is visiting general and home offices of fire and casualty companies throughout the central west and east, was formerly a life insurance man in Oklahoma City, being a salesman for the Mid-Continent Life of that city. He served it for 14 years and was regarded as a very good producer. He has taken an active part in



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bringing about reforms in the field. Secretary Philpott is considered one of the finest looking men in public life. He makes a good impression. He is a gracious and forceful speaker and has won a number of friends where he has gone on his visits.

Al I. Heiman of the Al Heiman & Co. agency, Oklahoma City, was honored at a surprise birthday party on the occasion of his 70th birthday, Aug. 14. The celebration was concocted by the agency force, who prepared a large birthday cake and various festivities. Mr. Heiman also observed the completion of 30 years in the insurance business in Oklahoma City. In spite of his age, he is still very active and takes an unusual interest in his work.

Elmer W. Bonstin, vice-president Pacific National Fire and past most loyal gander of the San Francisco Blue Goose, spoke at a luncheon Monday on the highlights of his recent trip to the Hawaiian Islands. The meeting was a "mid-summer luncheon." The regular luncheons will begin later.

Maurice Walsh, head of the Walsh Insurance Agency, Birmingham, Ala., wondered if New Deal inflation had struck his cash register the other day when he found a \$100 bill reposing therein. He checked up and found that a policyholder had tendered a \$100 bill, part of his soldier's bonus, through mistake in paying a \$10 premium. The girl in the office receiving the money did not notice the mistake either. Mr. Walsh returned \$90 to the policyholder, who set him up to a box of good cigars.

James T. Craffey, local agent at Albion, N. Y., died. Burial took place at Worcester, Mass., his former home. Mr. Craffey was a graduate of Phillips Exeter Academy and Yale University. He had operated his agency in Albion since 1922. Among field men who at-

tended the funeral were J. F. Moriarty, National Union; M. J. Martin, Hanover; R. E. Eisert, Agricultural; W. C. Truncer, St. Paul F. & M., and L. E. Fermoile, district secretary at Rochester of the New York Fire Insurance Rating Organization.

In the death of **L. J. Borland**, secretary of the Great American, at his summer home in Westhampton, L. I., the company lost an able executive. He had been deep sea fishing in the morning and was playing ball on the sand when he was stricken. He died within an hour.

Upon graduation from Stevens Institute of Technology in 1896, Mr. Borland entered the service of the Middle States Inspection Bureau, continuing until 1903 when he joined the staff of the Great American. He was appointed assistant secretary in 1918 and secretary in 1929, assuming supervision of the special risk and side line business. He was a member of the executive committee of the Factory Association, president of the Eastern Tornado Association, chairman of the General Cover Board; member executive committee Central Traction & Lighting Bureau, and of the Sprinkler Leakage Conference. He was a brother-in-law of F. E. Jenkins, vice-president of the Queen, and of S. Y. Brown, New York manager of the Glens Falls. His home city was Plainfield, N. J.

Arthur T. Vanderbilt, formerly chairman of the Public Fire and Public Indemnity, both of Newark, is being boomed for president of the American Bar Association, which will hold its annual convention next week in Boston. Mr. Vanderbilt is well known in legal insurance circles throughout New Jersey and has served as chairman of the insurance section of the A. B. A.

James Cairns, special agent for the Hartford Fire and Hartford Accident & Indemnity in southern California, is spending his vacation at the Cairns' fam-

With Buffalo



W. R. RUEGNITZ

W. R. Ruegnitz is now connected with the Buffalo at the head office in charge of its combined inland marine and automobile departments. Until recently he was connected with the western department of the North America, doing special statistical work. Before that he was automobile superintendent in the western department of the Springfield.

ily home on the San Francisco Peninsula with his parents, Mr. and Mrs. E. T. Cairns. E. T. Cairns is vice-president Fireman's Fund. Mr. Cairns, since going to southern California about a year

ago, has continued to take an active interest in fire prevention and junior chamber of commerce affairs and is at present a member of the board of directors of the Los Angeles junior chamber of commerce. Last year, as chairman of the fire prevention committee of the junior chamber of commerce, his activities during Fire Prevention Week were so outstanding that Los Angeles tied with Philadelphia for first place.

B. D. Cole, local agent of West Palm Beach, Fla., put out an interesting "Hurricane Map," which shows the number of hurricanes which have swept the Atlantic Ocean, Gulf of Mexico and the Caribbean Sea, from 1921 to 1935 and how they originated.

Joseph Kasas, New Jersey special agent of the National Union Fire, left this week on a trip to Mexico on the steamer Orizaba.

Dauwalter Office Releases "Sound Insurance" Bulletin

NEW YORK, Aug. 19.—The Business Development Office is releasing to committees which have been appointed to represent it the first of a series of discussions entitled "Facts and Comments Regarding Sound Insurance."

The present series deals primarily with analysis of the security of indemnity afforded by individual carriers and places in possession of its readers information which will enable them to measure this factor with at least a reasonable degree of accuracy.

Circulation of this material so far is being confined to the various committees of agents and field men which have been appointed to represent the Business Development Office and to the companies identified with the activity. It is possible that at some future date means will be found for giving the information wider distribution.

NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Insurance Day at Cleveland

Celebration for Fraternity at Great Lakes Exposition Tentatively Set for Oct. 3

CLEVELAND, Aug. 19.—Plans are under way to celebrate "Insurance Day" at the Great Lakes Exposition, probably on Oct. 3. This date follows the National Association of Insurance Agents' convention in Pittsburgh and would give convention visitors an opportunity to stop at Cleveland and join a reunion which may be more or less national in scope.

President Eugene Davis of the Insurance Board of Cleveland is calling on life, casualty and surety associations as well as company men to cooperate in making the day a real event for the insurance fraternity. It is expected that state organizations will likewise give their support. Preliminary meetings will be held this week to get plans under way. Altogether the affair for solicitors as well as agents and officials may draw several thousand.

Officials of the exposition have prom-

Dean of Michigan Agents, Association Founder, Dies



SEELEY R. BIRCHARD

Seeley R. Birchard, 79, past president of the Michigan Association of Insurance Agents, died at Bay City, Mich., after a brief illness. He had headed the S. R. Birchard & Co. agency since 1890, and was one of the most widely known upstate agents in Michigan.

He was a familiar figure in Masonic circles for many years, being the oldest living member of the Bay City Consistory of the Scottish Rite. He was chairman of the finance committee of the Michigan grand lodge for 25 years and was a member of all Masonic orders. He was active in civic affairs.

Always fond of flying, Mr. Birchard attracted nation-wide attention in 1932 when he flew to Detroit with his wife to celebrate their golden wedding anniversary with his sons, Glen R. and Fred S., both of Detroit. He was honored at a banquet of the Michigan Association of Insurance Agents in Petoskey last September as the oldest living past president of the organization. He was one of the founders of the association in 1898 and was elected president in 1910.

ised full cooperation in making the day a success. In addition to the regular attractions, home office men may be invited to Cleveland and a speakers' program offered at luncheon. More definite announcements will be made later.

Milwaukee Board Outing Is Held, 200 Are in Attendance

MILWAUKEE, Aug. 19.—About 200 members of the board, solicitors and office members, field men and western company representatives attended the annual outing of the Milwaukee Board. Winners in the golf tournament were: Low gross, Bert Zinn, 86, and D. W. Swanson, northern Wisconsin state agent St. Paul F. & M., 77; high gross, L. C. Hilgemann, 134, and W. A. Taylor, state agent Yorkshire, 118; blind bogey, A. L. Fischer, A. A. Wick, E. M. Schoen, Jr., C. R. James, M. Breitenbach and Monroe Porth tied for first with 80; Julius Egerman, W. B. Calhoun, William Hargarten, T. A. Rogers and C. W. Booth, tied for second with 81. In horseshoe pitching, grand prize went to J. J. Zaborski.

President L. C. Hilgemann announced that business was deferred to the September meeting. R. E. Brandenburg, general chairman of the outing, presented each of the six lady members attending an appropriate gift. Mr. Calhoun conducted the drawing of attendance prizes and awarding of sports prizes.

Lapeer Mutual Ruling May Be Appealed to High Court

LANSING, MICH., Aug. 19.—Deputy Commissioner Corell predicted this week that the recent Lapeer county circuit court decision invalidating an assessment levied by the receiver on members of the defunct Lapeer Mutual Fire will be appealed to the state supreme court.

Mr. Corell explained that the assessment thus voided, at least temporarily, by the opinion of Judge Cramton was the only one made by Receiver W. G. Simpson, and was a "second" assessment only in the sense that it followed an assessment attempt by the former secretary before the actual receivership was ordered on petition to the Ingham county circuit court here by the commissioner. The outstanding liability of the defunct mutual is some \$84,000, obtainable only through assessment.

Department officials disagree with Judge Cramton's finding that the mutual was "insolvent" as far back as 1927, thus rendering an assessment against members from 1931 on "inequitable" since the earlier members who had canceled their policies were not made subject to the levy. The large number of decisions in this and other states supporting receivers in their assessment powers is cited by department officials as significant and indicative of the possibility of a reversal if the case is appealed as now anticipated.

End Lincoln Hail Receivership

LINCOLN, Aug. 19.—Termination of the Nebraska department's receivership of the Lincoln Hail, which was taken over in May, 1932, has been completed. An order by the district court to Insurance Director Smrha to accept the offer of Charles Carr to buy the assets of the company has been entered. Carr is to settle 1932 and 1933 hail loss claims against the company on a 50 percent basis and pay any other claims against the company. This requires \$18,337.

He will take over any indebtedness against the company, mainly notes held by the Continental National Bank. The bank holds premiums notes for \$185,000, 90 percent of which will be outlawed by Sept. 1. These will be turned over to Carr.

Any money collected on judgments entered against the estate of Lee Herdman, former insurance director, and F. A. Wood and M. Witzenburg, special agents of the company, will be applied to hail losses. The judgments are \$5,000 and \$12,000 respectively.

South Dakota Hail Claims

Many hail claims have been received by field men and adjusting offices in Sioux Falls resulting from the storm in the vicinity of Madison, S. D. With prospective grain yields very low, adjustments satisfactory to the assured will be difficult.

Merrifield Has Own Agency

John Merrifield, Jr., has opened a general insurance agency at 500 Ashmun street, Sault Ste. Marie, Mich. He has been for about 1½ years manager at Detroit for the New Era Life and before that was manager at Sault Ste. Marie for that company. Previously he was connected with the Metropolitan Life at Sault Ste. Marie. He graduated from Michigan College of Mining & Technology in 1932.

Des Moines Picnic Aug. 29

The Des Moines local board will hold its annual picnic Aug. 29. All local agents, field men, adjusters and others connected with the fire and casualty business in Des Moines and Iowa are invited, and it is anticipated attendance will be well over 100.

State Hospital Burns; Uninsured

DES MOINES, Aug. 19.—No insurance was carried by the state on the Mt. Pleasant hospital for the insane, it was revealed following the fire that wrecked a part of the institution. Damage totaled over \$400,000. The entire hospital plant was valued at \$885,000.

According to the state comptroller's office, the executive council contingent fund appropriation was only \$250,000, and much of it has been spent. A special appropriation by the next legislature will probably be necessary to reconstruct the burned section of the hospital.

Michigan Committee Named

DETROIT, Aug. 19.—Michigan's committee to cooperate with the Company-Agent Business Development Office has been completed by President J. W. Mundus, Michigan Association of Insurance Agents, and President George R. Pritchett, Michigan Fire Underwriters Association. Mr. Mundus has appointed as the agents' association committee: George W. Carter, chairman; Clyde B. Smith, J. Alfred Grow, James M. Crosby, Jr., Gilbert C. Chadock, John P. Old, Phil J. Braun, J. M. Wilson and J. W. Mundus. The company committee is: L. J. Gilmour, Boston; E. R. Hubbell, Royal-Liverpool; H. M. Johnson, Commercial Union; C. H. Metzner, Phoenix, Conn.; M. R. Olp, Travelers; G. R. Pritchett, American; F. D. Row, Springfield, and F. E. Woods, Sun.

Plans of the Ohio Juniors

The formal title of the organization of sons, daughters and other relatives of owners or managers of agencies that are members of the Ohio Association of Insurance Agents is the Ohio Association of Junior Insurance Agents. The objects of the junior organization will be more or less those of the senior as-

Davenport Agents Plan for State Convention



JOHN HYNES

John Hynes, well known local agent of Davenport, is chairman of the general committee of his city in charge of local arrangements for the annual meeting of the Iowa Association of Insurance Agents there, Sept. 9-10. The vice-chairman is E. L. Ruhl. Mr. Hynes is also chairman of the finance committee. The head of the registration and reception committee is Emmet Stenger. Robert Noland heads the attendance committee, Joseph Wagner, the contest committee, C. A. Ruhl, the entertainment committee, Frank McHarg, the committee on ladies entertainment and Frank Howes, the cocktail bar committee.

sociation. The juniors will foster friendly relationship and undertake to teach the value of organization to the younger people who intend to remain in the business. The junior organization will work closely with the senior body and will hold its convention at the same time and place. The secretary will be Senator John A. Lloyd, who acts in the same capacity for the senior association. Paul R. Laurenson of Canton is now working on a constitution and will submit it to those present at the convention in Columbus in October. At that time the organization will be completed, permanent officers elected, etc.

Nebraska Appointments

At a meeting of the executive committee of the Nebraska Association of Insurance Agents, J. B. Hillers, Hastings, Neb., was appointed national councillor to serve out the unexpired term of R. C. Alexander, Omaha, who was forced to resign because of poor health. Various committees were also appointed, the chairmen being as follows:

Executive committee, P. W. Downs, Omaha; field men and producers, Carroll Morrow, Kearney; conference, A. B. Dunbar, Omaha; legislative, L. C. Simpson, Fairbury; investigation committee workmen's compensation, E. R. Heflin, Omaha; membership, Mr. Morrow; accident prevention, E. L. Dawson, Lincoln; farm, Arthur Baldwin, Fremont.

Weeding Out Small Mutuels

LANSING, MICH., Aug. 19.—There appears to be something of a weeding out process operating in the farm mutual field in this state, with several of the smaller mutuels reinsuring their business with larger organizations of the same type, the small outfits realizing that possibility of their continuance

as going concerns was remote. The action is perhaps timely in view of mounting farm fire losses this summer which are likely to send the assessments of the farmers' mutuals up to an abnormal height.

Two recent reinsurance deals of this sort involved the Northwest Washtenaw Farmers Mutual, operating in six townships of Washtenaw county and having less than \$500,000 insurance in force, and the Cloverland Mutual Cyclone of Hancock, in the upper peninsula, with only about \$225,000 in business volume. The Northwest Washtenaw's business goes to the State Mutual Fire of Flint and that of the Cloverland carrier to the Finnish Mutual Insurance of Calumet, which writes both fire and windstorm risks.

Report on Mason City

The National Board has issued a report on Mason City, Ia., showing the gross fire loss for the past five years was \$258,332, the average loss per fire being \$581, "a high amount," and the average annual loss per capita \$2.15, "an average amount."

The water supply is declared to be adequate and mainly reliable. Good quantities are available in most central sections, but lack of feeders and isolation cause deficiencies in outskirts. The fire department is thoroughly efficient but undermanned. There is no fire alarm system. The public telephone system is used.

In the principal mercantile district, fire resistively weak construction makes serious group block fires probable. While heights are low, streets are narrow and of fair width. The fire department is seriously undermanned and there is little structurally to prevent a fire from involving two or more blocks, but such fires should not extend to any considerable portion of the district. In the minor mercantile and manufacturing districts the hazard is local.

Madison Agency's Convention

The Reitan-Lerdahl & Co. agency of Madison, Wis., held its first agency convention in that city. Greetings were extended by Commissioner Mortensen of Wisconsin, other speakers including H. B. Barnard, president Builders & Manufacturers Mutual Casualty, Chicago; H. L. Ekern of Ekern & Meyers, attorneys, Chicago; J. J. Fitzgerald, president Grain Dealers Mutual of Indianapolis and president Federation of Mutual Fire Insurance Companies, and J. E. Powell, vice-president Provident Life & Accident.

Entertainment included a golf tournament at the Nakoma Country Club, prizes being presented at the dinner in the evening.

Revise Appleton School Line

APPLETON, WIS., Aug. 19.—Insurance on school properties, held by three local agencies, has been redistributed, 10 percent of the amount being assigned to six other agents.

Nebraska Six Months Record

The value of farm property in Nebraska involved in the 244 fires reported to State Fire Marshal Davis the first six months was \$550,000 and losses \$302,000, or 55 percent, whereas the \$615,000 of urban losses in 1,069 fires represented but 3.4 percent of the value of the property involved. In 145 of the farm fires building losses were \$191,000. Insurance was carried on but 67 percent of the buildings, and the total insurance carried on farm property was 59 percent of the value. On urban property involved in fires reported 79 percent of the value of the property was insured.

Plan Indiana Agents' Meet

The annual meeting of the Indiana Association of Insurance Agents will be held at Marion, Ind., the latter part of October, the exact date to be decided upon at a meeting of the directors in September, when details as to program will also be developed. President Chris.

Zoercher and Secretary J. W. Stickney, Indianapolis, were in conference last week with J. Gilbert Martin, treasurer, at his home in Scottsburg. Mr. Martin has been confined to his home by illness for several weeks but is making good recovery.

Retire from the State Fund

LANSING, MICH., Aug. 19.—The Michigan state administrative board went on record against inadequate self-insurance by the state and in favor of stock company protection when it approved payment of a premium of approximately \$4,400 on a reporting form policy for about \$3,000,000 covering the liquor stock of the state liquor control commission in the central warehouse at Lansing. Seven companies are sharing the business.

The board had previously "insured" the liquor stocks and other commission properties with the state fund after one policy on the liquor stock in Lansing had expired. The attorney general's opinion then was accepted as absolutely binding the board to such a disposition of the matter. Reconsideration, however, convinced the board members that it would be unwise to allow this situation to prevail as they would be blamed should a conflagration destroy the costly

liquor stock and wipe out the state fund. It is anticipated that they will support a probable move of the organized agents either to bring about repeal of the state fund act or to modify it so as to legalize insurance with private carriers of certain properties such as those affected in the current case.

Survey Upper Peninsula Towns

Cecil Brown of Grand Rapids, engineer of the Michigan Inspection Bureau, is completing a survey of L'Anse and Baraga in the upper peninsula, readjusting mercantile fire rates in these communities.

Maquoketa, Ia., Bars Fireworks

The Maquoketa (Ia.) city council has adopted a resolution prohibiting the retail sale of fireworks of any kind within the city limits or the discharge of such fireworks, except in the case of organizations or civic groups on permission granted.

Mutual Men Hear E. L. Poor

About 100 attended the meeting of the 1752 Club, an organization of mutual company people, at Cedar Rapids, Ia. The principal address at the dinner

meeting was given by E. L. Poor of Chicago, editor of the "Journal of American Insurance." H. L. Nehls was in charge of the entertainment. President John F. Kerper presided at the dinner session. Dempsey Jones, recorder of Linn county, spoke.

Middle West Notes

A. G. Gambrill, local agent in Kansas City, Kan., died there.

Charles Grove, East Palestine, O., has organized the City Insurance Agency there.

The Bell Mutual is opening an office at 203 East Broad street, Columbus. O. C. Truitt is manager.

Robert Ebling, Jr., has opened an agency in Greenville, O. He formerly carried on the business at Braffettsville, O.

The Colonial Agency, 1162 Consolidated building, Indianapolis, has been incorporated by T. H. Dann, Nellie B. Barth and J. W. Joseph.

The Bostwick Insurance Agency, Port Washington, Wis., is being continued by the Cady Agency, operated by A. F. Cady and Frank Bamberg.

Darrell Dague has disposed of Dague's Agency, Yankton, S. D., which he has operated about a year, and is taking over the Bagley Agency, Deadwood, S. D.

Landers & Landers, 211 Guaranty building, Indianapolis, has been incorporated by Fisk Landers, R. M. Hennessy and Vera L. Landers. Mr. Landers has been operating the agency under his own name.



In 1848

In 1848 Jonathan Simmons obtained a charter for the Ohio Farmers Insurance Company. James K. Polk was President of the United States, Ohio was still a frontier state and the Indians traded with the populace of Westfield Centre—now LeRoy. A restless people was moving westward but in "the Ohio country" was already a permanent population demanding permanent institutions.

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IN THE SOUTHERN STATES

Philpott Is Visiting Offices

**Secretary of the Oklahoma Insurance
Board Is Now Acquainting Com-
panies with Uniformity Plan**

S. W. Philpott, secretary of the Oklahoma Insurance Board, is on a trip visiting general and home offices, acquainting them of the action of the board in prohibiting all rate deviations after Sept. 1. The board has been anxious to bring about uniformity in the state because of so many deviations as it has found that the insurance buying public was becoming very much confused.

All carriers for fire insurance will now be required to follow manual rates. Participating companies naturally will pay dividends. So far there has not been any legal attack made on the action of the board. Considerable missionary work was done in advance and all hands seem to be agreeable.

The state insurance board has done a good piece of work in eliminating incompetent local agents. It was figured that there were 5,000 local fire and casualty agents in the state and these have been reduced to the neighborhood of 3,900.

Florida Agents Urged to Study Example of Gary, Ind.

The August issue of the Insur-Agent, organ of the Florida Insurance Agents Association, says:

"THE NATIONAL UNDERWRITER, in a recent issue, commented editorially on the benefits to any public body of having its insurance handled on a strictly business basis by competent agents unhampered by political interference, and cited the case of the city of Gary, Ind., where the city school business has been written by the Insurance Board of Gary for the past 20 years.

"Quoting from THE NATIONAL UNDERWRITER: 'In order to remove pressure from the school board and to coordinate the placing of coverage the problem was put up to the insurance board years ago, the supervising agent selected, and rules set up for distribution of the business, which have been substantially adhered to ever since.' According to the article the fire insurance on the properties has been almost exactly doubled in the past 10 years, the tornado coverage substantially more than doubled and the supplemental contract added and at the same time the total five-year premium has been cut almost exactly in half.

Local Board Argument

"These facts substantiate the plea of the state association for the organized agents of Florida to organize and maintain strong local boards in their communities. In your capacity as a local agent, you are a quasi-public servant and as such you are charged with the responsibility of properly and adequately protecting the interests of the tax payers of the state. What better service can you render your fellow citizens than seeing that all public property is properly valued and adequate insurance carried at the lowest possible rate, consistent with solvent protection? And what better way is there to do this than to remove all public business from political interference and handle the same competently through a strong local board?

"Commenting further THE NATIONAL UNDERWRITER says: 'It is doubtful that this exceptional experience would have been possible had the schools at any time in the past succumbed to the bids of outside, cut-rate companies. The original cut-rate would have been accepted years ago and very likely would still be in effect. The fact that the lo-

cal agents have handled the line satisfactorily and with progressively better results has made it difficult for any competitors to present propositions that would appeal to the city.'

"There is much food for thought in the facts cited above and we hope that such local boards in the state that are now operating in a lukewarm manner, will profit by the experience of the Insurance Board of Gary, as well as some of the more alert local boards in Florida, and will immediately take the necessary steps to strengthen their positions."

Ends Auto Financing Deal

AUGUSTA, GA., Aug. 19.—The representation of the Halifax Fire in the offices of the Motor Finance Corp., to write their financed automobiles no longer exists. Some months ago when this plant was made the Augusta Board of Underwriters registered a complaint with the company's general agent, Hurt & Quin general agency, Atlanta, on the basis that such a plant was not only in violation of the state law but that it was in competition with the already established local agents. Members of the board have now been advised that the Halifax will not only withdraw from the Augusta office of this concern but from the ones in other cities in Georgia.

Hearing on Compress Rates

OKLAHOMA CITY, Aug. 19.—Insurance rates covering cotton compresses will be the subject of a hearing before the state insurance board Sept. 8. The Southwestern Compress & Warehouse Association is seeking a reduction in rates, involving about 27 compresses. The Texas rate on similar insurance, said to be much lower than that in Oklahoma, is pointed out as the objective of the Oklahoma association.

Rates on this class have been the subject of considerable negotiation in recent years, and while some reductions have been secured, the industry believes it is entitled to a still lower rate.

No Action on Insurance

NEW ORLEANS, Aug. 19.—The New Orleans city council has voted a new 2 percent sales tax and a liquor tax but no action was taken on the proposed 2 percent insurance tax.

Dallas Storm Loss Half Million

DALLAS, Aug. 19.—Late estimates place the losses resulting from the severe wind and hail storm which visited Dallas late in July at well in excess of \$500,000. The damage to the Texas Centennial Exposition at Dallas will be settled for approximately \$40,000.

A large staff of adjusters has been on the job constantly since the storm and it is believed that another week or

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ten days will be necessary to clean up. The question of amicably disposing of numerous claims resulting from wind-driven rain has been the principal problem confronting the adjusters, but it is reported that most of the citizens have been reasonable.

Cravens, Dargan & Co. Changes

William Cravens, who has been special agent for Cravens, Dargan & Co. of Houston at Fort Worth, Tex., for several months, has been recalled to the head office where he now heads the underwriting department. G. W. Baillio, special agent in Dallas, has taken charge of the Fort Worth field also. Denman Morgan, Hamlin, Tex., has been appointed farm special agent. He formerly was with the Morgan Insurance Agency at Hamlin.

Florida Legislative Setup

JACKSONVILLE, Fla., Aug. 19.—Past President Payne Midyette of Tallahassee again heads the legislative committee of the Florida Insurance Agents Association, with the following associates: Hunter Brown, Pensacola; W. M. McCrory, Jacksonville; Earl Freeman, Daytona Beach; R. P. Harmon, Orlando; A. H. Wagg, West Palm Beach; W. O. Stovall, Tampa; Calvin Oak, Miami; H. J. Wood, Fort Myers. In naming him chairman for the sixth time President L. P. McCord highly commended Mr. Midyette for splendid work in the past.

The petition in the circuit court of Duval county to change the name of the Florida Local Underwriters Association to the Florida Insurance Agents Association has been approved and recorded.

Get Alabama General Agency

The Crowe Insurance Agency of Birmingham has been appointed general agent in Alabama for the United Hard-

ware & Implement Mutuals, Ohio Hardware Mutual, Iowa Hardware Mutual and Implement Dealers Mutual Fire. J. H. Crowe, manager, is secretary of the Retail Hardware Dealers Association of Alabama.

Sells Agency, Becomes Adjuster

A. S. Meers has sold the Meers Insurance Agency, Brady, Tex., to Vernon E. Jordan of Brady, and will work as an independent adjuster with the

Hardway Adjustment Company of Dallas.

Long Service Recognized

The American Alliance has awarded Sloan, Irvine & Sloan of Chattanooga, Tenn., an elaborate electric clock because of 25 years' representation in that city.

Frank D. Epps, Richmond, Va., local agent, has announced his candidacy for treasurer of that city.

PACIFIC COAST AND MOUNTAIN

Schedule Regional Meetings

California Association Announces Two Series, for Northern and Southern Sections of State

SAN FRANCISCO, Aug. 19.—The fall series of regional meetings of the California Association of Insurance Agents will open at Stockton Aug. 24, with G. C. Appleton, vice-president, and Frank Colridge, executive secretary, as the principal speakers. Other meetings scheduled for the northern section, at all of which Mr. Appleton and Mr. Colridge will appear, are: Aug. 25, Wilcox; Aug. 26, Petaluma; Aug. 27, Oakland; Aug. 28 (noon) San Jose, and evening, Watsonville.

Meetings in the southern section, at which W. P. Welsh, president California association, and Mr. Colridge are to be the principal speakers, will be held Sept. 10 at Long Beach, noon, and Huntington Park, evening; Sept. 11, Santa Ana, noon; San Bernardino, evening; Sept. 15, Fresno.

Among the representatives of the California association who will attend the annual convention of the National

association at Pittsburgh, are Messrs. Welsh, Appleton and Colridge; E. H. Pickett, national councillor; W. H. Menn and Eugene Battles, past presidents. Mr. Menn is now a member of the national executive committee.

New Mexico's Meeting Plans

State Association of Local Agents Has Planned for Its Annual Convention Program

At the annual meeting of the New Mexico Association of Insurance Agents September 13 and 14 in Albuquerque, Postelle Cooper of the Cooper Agency at Deming, who is president, will be in charge. One of the main questions considered will be a proposed agents' qualification law which will require an examination fee for new agents together with a written and oral examination. Arthur B. Dunbar of Omaha, member of the executive committee of the National Association of Insurance Agents, will represent that body. Walter J. Kulp of Denver, manager of the Mountain States Inspection & Rating Bureau, and Rand Hill of Denver, manager of the Fire Companies Adjustment Bureau, will speak.

There are now more than 80 agencies represented in the New Mexico body and the number is being increased.

Thieme Gives His Report at Washington Agents' Meeting

More strenuous or drastic measures must be adopted and enforced in order to alleviate the automobile accident situation, declared George R. Thieme, president Insurance Agents League of Washington, who presented his report at the annual meeting in Seattle.

He pointed out that in spite of all that has been said and done about it, the increasing frequency and severity of accidents continue at an alarming rate. He commended the work of the association in leading the traffic safety campaign in the state, but said that although this has helped prevent many such accidents, it is evident that some more effective plans or regulations must be followed and he urged the convention to take action in this respect. He emphasized that agents owe it both to their companies and assured to play a leading role in accident prevention in order to bring about a much better loss experience in order that facilities for coverage be maintained and to prevent rates from being increased to such a point the assured cannot afford to purchase protection. He said that although companies will probably continue at the present rates as long as is possible, they cannot continue indefinitely in the face of increasing loss ratios.

Business Conditions Better

Mr. Thieme called attention to the greatly improved business conditions during the past year, with many agencies being stabilized. Competition and necessity for premium income have tended to develop use of many lines of insurance heretofore neglected. Agents are now showing more concern in studying the needs of the assured. He pointed out that cut rate competition has not



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been a problem during the past year. The matter of deviations and differentials has been clarified with the cooperation of the association's contact committee, the Washington advisory committee and company representatives. The rate situation has been particularly favorable in view of the fact that loss experience of the companies has been in conformity with the various reductions.

He called attention to the progress of the league, whose membership now totals 340, the largest in its history. Much work has also been done in development of local organizations throughout the state and he commended the constructive work of the contact and legislative committees. He also announced a joint committee of agents and company men is now being formed to assist the Agency-Company Stock Fire Office in furthering the interests of stock insurance in the state. He urged members of local associations to coordinate their efforts, and to establish public relations by featuring and advertising their organizations and membership by being of assistance to public officials in solving their problems.

Braerton, Ham Will Address Wyoming Agents Gathering

The program for the annual meeting of the Wyoming Association of Insurance Agents in Casper Sept. 2-3 is as follows:

Morning, Sept. 2

9:00 a. m.—Calling of convention to order by President Fred C. Hank.
Report of Secretary Gilbert V. Kennedy.
Appointment of committees.
Address of president.
Report of executive committee, L. B. Potter, chairman.
Report of membership committee, Guy Engle, chairman.
Report of legislative committee, Hoyt Leech, chairman.

Report of fire prevention committee, M. P. Wheeler, chairman.

Report of grievance committee, H. H. Parks, chairman.

General discussion of insurance matters of interest.

Afternoon, Sept. 2

1:00 p. m.—Open meeting, guests participating, discussion of matters of interest to the fraternity. Meeting called to order by President Hank.

Introduction of guests.

Address by Arthur J. Ham, insurance commissioner for Wyoming.

High lights of National association, C. V. Davis, member of national executive committee, Sheridan, Wyo.

Address—W. L. Braerton, Denver, president American Association of Insurance General Agents.

7:00 p. m.—Banquet, Gladstone Hotel, toastmaster, Dick LeRossignol Lander, Wyo.

September 3

9 a. m.—Meeting called to order by President Hank.

Unfinished business.

Reports of resolutions and nominations committees.

Election of officers.

Introduction of new officers.

Adjustment Bureau Opens New Branch at Cheyenne

The Fire Companies Adjustment Bureau's Rocky Mountain department has opened a new branch at Cheyenne, Wyo., in charge of Resident Adjuster Glen W. Oliver. The new office will handle losses in the northeastern tier of Colorado counties, the entire southern tier of Wyoming counties and also certain Wyoming counties directly north of Cheyenne. The office will handle not only regular losses occurring in this district, but will also afford companies service for their tourist

clients, as Cheyenne is on both the main east and west, and north and south highways.

Mr. Oliver, whose new office is 430 Boyd building, has been adjusting losses for the Rocky Mountain department for the last six years and is experienced on both fire and automobile claims. Since the branch will at first be a one-man office, the department has suggested that all losses in the territory be assigned to the Denver office as it will be in touch with Mr. Oliver at all times.

Addition of the Cheyenne office gives the Rocky Mountain department branches at Denver, Pueblo, Grand Junction, in Colorado; Albuquerque and Roswell, N. M., and Casper and Cheyenne, Wyo.

Warns State May Require Agents to Furnish Bonds

SAN FRANCISCO, Aug. 19.—S. H. Beckett, assistant insurance commissioner of California, has made public a statement on obligations of agents and companies, in which he points out that "volume of production cannot overshadow negligence in financial matters" and that the agent who does not properly conduct himself will eliminate himself automatically from the business.

"In some states," he says, "laws have been enacted for the examination of agents to determine their qualifications for license, so that the insuring public will know that their business is in competent hands; in other words, the states have deemed it best to insist upon the agent's knowing his business. Will the day come when the insurance man will be compelled to furnish a bond to the states, guaranteeing his financial transactions in connection with his business? Unless there is improvement, such laws may come into being.

"On the other hand, the insurance companies have a certain amount of responsibility to the agent and that responsibility can best be exercised in the selection and the appointment of agents. If a company will use care in selection when agency appointments are made and then insist that underwriting rules be lived up to and will, in addition to this, devote the necessary time and cooperation to the building of loyalty in the agency organization, the results will be worth the effort."

Oregon Business Holds Own; Ten-Year Record Reviewed

PORTLAND, ORE., Aug. 19.—Fire insurance in Oregon made a slight increase in 1935 over 1934, although rates were decreased as much as 20 percent on some classifications, Commissioner Earle's annual report shows.

Fire premiums for the past 10 years have averaged \$6,154,071, with paid losses of \$3,249,462, producing an average loss ratio of 52.8 percent. Stock companies averaged \$4,680,431 in premiums with 52.7 percent loss ratio; mutuals, \$1,080,018, ratio 50.1 percent; inter-insurers, \$393,622, ratio 60.3 percent.

Of the taxes paid by insurance companies for the ten-year period, \$372,025 has gone to maintain the insurance department, while \$7,237,874 has been turned over to the general fund.

Continue Public Speaking Class

SAN FRANCISCO, Aug. 19.—Reorganization of the public speaking class of Insurance Post 404, American Legion, has been completed. E. W. Amos, agency director Massachusetts Bonding, continues as chairman. A. N. Bolce, Indemnity of North America, is secretary, and A. I. Hetherington, Equitable Life of New York, treasurer. Hereafter each meeting will be presided over by a new chairman of the day, to be appointed from an alphabetical list one week prior by Mr. Amos.

Senator Pearson on Insurance

State Senator W. E. Pearson of Oregon, in addressing the annual meeting of the Oregon State Agents Association at Portland, recalled that when the state capitol burned he introduced a bill to eliminate the so-called restoration fund whereunder the state carried its own insurance and to have the state insure its property through regular insurance companies. This bill did not pass and Mr. Pearson stated that he intends to renew his efforts in behalf of such legislation at the next session.

Mr. Pearson mentioned the bill that was passed at the last session increasing the non-resident brokers' fee from \$100 to \$500. This resulted in stopping the licensing of all non-residents and depriving the state of some revenue. Oregon agents also suffered under the retaliatory provisions of other states. He favors repeal of the high non-resident brokerage fee.

Mr. Pearson expressed opposition to the scheme now being advanced to convert the compensation state fund into a monopolistic institution. Mr. Pearson said he believes the companies should be permitted to compete with the state insurance commission.

San Francisco Women's League

Frank H. Beckmann, president of Beckmann, Hollister & Co., business engineers, addressed the San Francisco Insurance Women's League on "Keeping Up with the Times." At the next meeting Sept. 21, a member of the Federal Bureau of Investigation will speak on "Operations of the G-Men."

CANADIAN

Excess Commissions Scheme

Local Agents in Ontario Are Complaining of the Practice at the Larger Centers

TORONTO, Aug. 19.—The payment of excess commissions on fire business is by no means confined to certain important centers across the border, but is a very real and very serious evil in Canada as well. Local representatives in Ottawa, Hamilton and other sizable cities in Ontario are resentful of the freedom with which Toronto agents are permitted to write business almost Dominion-wide, while they are confined to risks in their respective centers and al-

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Facilities for investigations, adjustments and Trial Work over Western Pennsylvania. Clients given on request.

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Representing Firemen's Fund, Lumbermans, American Motorist, and many others.
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

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Attorneys at Law
Abilene, Texas
Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

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624-630 Littlefield Building
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Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request.
Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

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Trial of all insurance cases State and Federal Courts Eastern District of Texas.
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References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
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DALLAS, TEXAS

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Citizens State Bank Building
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Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

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Houston, Texas
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E. F. Gibbons
Willard L. Russell

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

TEXAS (Cont.)

SIMMONS & ARNOLD

424-29 First National Bank Building
Houston, Texas

New Amsterdam Cas. Co., Allemania Fire of Pittsburgh, Cravens-Dargan, American Central Fire, St. Paul Fire & Marine.

BLEDSE, CRENSHAW & DUPREE

First National Bank Building
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Representing U. S. F. & G. F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others. Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains country.

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Representing: Home of New York—Loyalty Group—Hartford Accident—Many others.

UTAH

Stewart, Stewart & Carter

1105 Continental Bank Building
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Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
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Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

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Insurance Building
John W. Roberts W. B. McKelvy
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Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Evenson
Tyre H. Hollander Robert H. Grace
Laurence Booth, Jr.
SEATTLE

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Kanawha Valley Building
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Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
Huntington, West Virginia

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Investigations, adjustments and trials—State and Federal Courts.

RUSSELL, HITESHEW & ADAMS

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Parkersburg, West Virginia

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Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

800 Riley Law Building
Wheeling, W. Virginia

Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland.
Equipped for investigation and adjustment. Trial of insurance cases in all courts.

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WILLIAM J. GEENEN

Appleton, Wisconsin

American Motorists Insurance Company, Globe Indemnity Co.
Trial of all insurance cases in State and Federal Courts.

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lowed merely the local commission thereon.

The practice complained of is not of recent origin, but has been in vogue for years. It has seemingly become more acute of late, however, which accounts for the growing agitation against it on the part of the purely local representatives and by that division of the companies that believe in the "square deal."

Montreal Losses Lower

The decreased fire loss ratio in Canada this year is illustrated by the Montreal returns for seven months, which show a reduction of a \$164,000 as compared with last year. In 1935 the city had the lowest loss for 20 years, with a per capita of \$1.69 compared with \$2.12 for the Dominion.

W. L. Dart, Marine Man, Dies

W. L. Dart, head of the inland marine department of the Phoenix of Hartford in Canada, died in Montreal after a long illness. He was 59 years of age. He had been connected with the Phoenix for seven years.

Previously he was associated with Dale & Co., one of the largest marine brokerage offices in Canada. For many years Mr. Dart took an interest in municipal affairs of St. Lambert, a Montreal suburb.

Knell Heads Economical Mutual

Henry Knell, formerly vice-president, has been elected president of the Economical Mutual Fire of Kitchener, Ont., succeeding the late G. C. H. Lang. Carl Kranz has been elected vice-president, and Reinhold Lang, a son of the late president, has been elected a director.

Eastern States Activities

See Increase in Construction

John A. White Points Out Possibilities for Getting More Insurance on Equipment of Contractors

With a general increase of heavy construction over the whole country of 71 percent during the first part of 1936, greater possibilities exist for increased volume in contractor's equipment insurance, according to John A. White, special agent of the Boston and Old Colony in New Hampshire and Vermont.

The importance of this cover to the contractor is pointed out by Mr. White in an article in the "Accelerator," company house organ. With the increase in construction, more heavy machinery is being bought and used, particularly in road and bridge building lines. To these contractors, available funds for labor and material are most important, he states. Their effort to keep such funds liquid is shown by the fact that many contractors are buying their expensive machinery on the deferred payment plan. Consequently, with a large investment in equipment and with the fulfillment of the contract more or less dependent on the successful functioning of this equipment, some protection such as contractor's equipment insurance is vitally necessary.

Property to Be Covered

Property that may be insured includes steam shovels, concrete mixers, air compressors, power pumps and drills, derricks, cranes, hoisting machines, road building machines and other similar equipment, including tools. The policy covers damage from fire, lightning, cyclone, tornado, derailment, overturning or collision of a transporting conveyance with any other conveyance or object, overturning or collision of the property itself while being moved over the road and collapse of bridges or docks, while on land, in transit or otherwise; the perils of fire, lightning and stranding, sinking or collision of any transporting ferry with another vessel while the property insured is on ferries, including general average and salvage charges for which assured is held legally liable. The policy may also include coverage against landslide, upsetting or overturning of property while on the job, and damage from flood (rising navigable waters), earthquake, external explosion and theft (excluding infidelity of employees), although claim on some of these hazards may be subject to deduction of \$25 to \$100 to allow for ordinary "trade loss."

Information Is Given

Policies may not be issued to cover property in storage at premises controlled or leased by assured, but it is not the intent of this ruling to exclude property merely in temporary storage at such locations, provided such temporary storage is purely incidental to the regular and frequent use of the property. Each risk is rated separately. Specific insurance is required on each piece of machinery, but tools and some of the smaller equipment may be written blanket. The 100 percent coinsurance clause is also a requirement. Risks should be carefully selected, the financial condition and moral hazard being carefully checked, and only those of the highest class considered. A contractor who is unable to secure a bond is generally considered a poor risk for this contract. Mr. White suggests the following as important points in selling this coverage:

"Protection of investments from unforeseen disaster, thus preventing the wiping out of profits. Freedom of ready cash for labor and materials. Prevention of delay, whenever a contract calls for a time limit, by having available funds to repair damaged property or purchase,

if necessary, and protection of equipment wherever located."

Controversy in Boston on Fire Fighting Facilities

BOSTON, Aug. 19.—A demand of public officials for increase in manpower of the Boston fire department was challenged by the Boston Municipal Research Bureau, which presented a picture of overlapping services and of fire fighting facilities which it is claimed are more costly than any other large city in the United States.

It insisted that "if some companies appear to be undermanned the fault lies in the department's use of the men, not in the available numbers." The bureau proposed a reduction in the taxpayers' burden through elimination of several fire companies.

The report says: "Boston's number of firemen per square mile is 106.2 above the average for other cities over 500,000 population; on a population basis, Boston's personnel is 64.5 above the average."

In the interests of a balanced city budget, the bureau insists that the fire department personnel be reduced rather than increased, as proposed in an order passed by the city council. H. C. Loeffler, secretary of the bureau, cited a re-

cent National Board report which showed "means of increasing efficiency in fire fighting with the same or a smaller number of men."

DeCelles Puts Over New Jobs

BOSTON, Aug. 19.—Five new salaries have been added to the Massachusetts insurance department on recommendation of Commissioner DeCelles. When the appointments first came before the governor's council they failed of approval at that time. Later, on a strict party vote of 6 to 3, the appointments were confirmed. They provide for three new inspectors at \$1,620 each, J. P. Herlihy of Cambridge; T. P. McNamara of Somerville, and D. F. O'Brien of Cambridge, and two temporary assistant examiners at \$1,800 each, A. G. Halsey of Auburn and W. C. Lunney of Holyoke.

Holyoke and Quincy Conditions

Holyoke, Mass., has an unfavorable fire loss record. The mayor and fire commissioners agreed to establish a fire prevention bureau and central drill school in the fire department. A fire department drill school has been established at Quincy, Mass., and arrangements are being made for the construction of a drill tower.

quarters in the Insurance Exchange building, Chicago. That will be the inland marine head office of the Dubuque.

W. R. Ruegnitz, who until recently was connected with the western department of the North America, has joined the Buffalo to be in charge of its new combined automobile and inland marine department. Before his connection with the North America, he was automobile superintendent in the western department of the Springfield.

Mr. Kealey was connected with the Marine Office of America five years. He was located in New York, then went to Chicago when the office was opened in that city and traveled the midwestern territory. He was located in Detroit for one year. He has been with the Associated Companies Marine Office about 2½ years. He will be assisted by Special Agent Paul W. Oliver, who has been located in Chicago for the Associated Companies Marine Office. Previously Mr. Oliver was also connected with the Marine Office of America, he having been in New Orleans.

New Regulation Is Issued

Marine or Inland Marine Policy Cannot Cover Credit Insurance on Installment Purchases

NEW YORK, Aug. 19.—Contracts involving credit insurance on merchandise sold on the installment plan may not be written under a marine or inland marine policy, according to a bulletin just issued by R. T. Marshall, executive secretary of the joint committee on interpretation and complaint. This interpretation relates only to states which have adopted the nation-wide definition and in which the articles of agreement have been declared operative.

Bulletin Is Issued

The bulletin reads: "A marine or inland marine form of policy may not be issued assuming liabilities set forth in the following insurance clause or any clause of similar effect: 'This insurance to pay for loss sustained to assured by reason of the enforced removal of merchandise covered herein and as described above, from any and all locations where same has been installed within the territorial limits, the said loss to be based upon the differ-

ence between net cost to assured, plus all accrued storage, trucking, installation and service charges including sales commissions and other expenses customary to the trade; and actual salvage obtained after deducting removal, trucking, repairing and/or refinishing and/or other charges and/or expenses necessary to recondition merchandise for salvage sale, to which loss this company further agrees to pay 5 percent of net cost of merchandise to the assured. In arriving at amount of loss, assured agrees that the initial down payment plus any subsequent installment payments actually received is to be added to the salvage price in estimating amount of loss hereunder. This policy, however, excludes all loss and/or expense on machines removed through mechanical defects and/or unsatisfactory performance."

Cahill to Houston, Tex.

Broader development of marine lines, both ocean and inland, is planned by the Fireman's Fund and associated companies as a result of the transfer of I. J. Cahill, marine special agent, from the Atlanta office to Houston, Tex. He will be in charge of marine development in both Louisiana and Texas and will make his headquarters with Special Agent Philip L. Pitts at Houston. He has been attached to the Atlanta office for the last three years and was with the Dallas office for the three years before that.

Recommend No Amendments

The Canadian committee of underwriters on automobile insurance standard forms, at its final 1935-36 meeting, agreed that no amendments to the uniform automobile insurance act should be recommended to the forthcoming convention of the Association of Superintendents of Insurance of the Provinces of Canada. Several proposed standard endorsements for attachment to the garage payroll policy were sent to companies for comments and criticism. They are: Named chauffeur endorsement, storage garage endorsement and open air parking station endorsement.

The National Fire Protection Association engineers have secured the organization of a group of property owners at Passaic, N. J., to sponsor action against grossly excessive charges of the local water utility for private fire service.

MARINE INSURANCE NEWS

To Study Salvage Operations

American Bar Association to Take Up Aircraft Problems at Boston Meeting Aug. 24

The operations of salvage at sea as between aircraft and oceangoing vessels will be one of the subjects brought up before the American Bar Association at its annual convention in Boston Aug. 24. The committee on admiralty and maritime law has drawn up a resolution recommending six amendments to the proposed convention drafted at the Hague last year by the International Technical Committee of Aerial Experts. They are as follows:

1. The elimination of provisions as to salvage services rendered by aircraft to vessels, vessel cargoes and freights.
2. Direct payments of salvage by cargo interests to salvors.
3. Definition of cargo to include all property in the aircraft.

Effect of Aircraft S O S

4. The S O S of an aircraft to have the same legal meaning and effect as an S O S from a vessel under the Safety at Sea Convention, 1929, Section 45.
5. Reward of successful life saving effort, requested by S O S, to consider speed, skill and courage as well as out-of-pocket expenses.
6. The obligation to search for fallen aircraft to be limited to such as circumstances require within the reasonable discretion of the shipmasters and pilots concerned.

There were two reports from the committee on safety at sea. That of the majority, while recognizing the lack of proper legislation, resigns the matter to the three bodies of experts already appointed to it. The minority report points out that the Senate committee does not include a lawyer and that the National Committee on Safety at Sea has reproved members of the bar for not recommending the proper legislation to bring about greater safety at sea.

Wayne on a Vacation

H. L. Wayne, acting secretary of the Inland Marine Underwriters Association, is spending part of his vacation in New Hampshire and part in Virginia. He is expected back at his desk after Labor Day.

Largest Cargo on Hindenburg

Marine Underwriters Show Interest in Big Shipment; Air Freight Is on Increase

The dirigible "Hindenburg" carried the largest commercial trans-Atlantic air shipment ever made to Europe when it left Lakehurst last week. The cargo consisted of an Oilomatic heating unit weighing 1,200 pounds. This fact has aroused some interest in insurance circles. Air cargo coverages, particularly trans-oceanic, are still in the experimental stage and must necessarily be written on a broad basis. To date experience has been confined mostly to small packages containing money, jewels, securities or pharmaceuticals, generally insured under a registered mail policy and transported in airplanes.

A shipment such as the one on the "Hindenburg" would be insured under a special form of the ocean cargo policy at an additional rate with all risks coverage. No rate has been established for ocean air cargo. This is perhaps the first time cargo of any size has been carried across the ocean in a lighter-than-air craft. The only experience American underwriters have had to date has been with the Pan-American airlines. Shipments by air to South America have increased 50 percent in the last year.

Buffalo, Dubuque Separate

Dissolve Joint Marine Office—Kealey Heads Dubuque's Department, Ruegnitz Manager for Buffalo

The Associated Companies Marine Office, which is the agency that has been handling the inland marine business of the Buffalo and Dubuque F. & M. on a joint basis, is being dissolved as of Sept. 1 in view of the fact that through this combined office enough business has been developed to justify each company in maintaining a department individually. The joint office until the first of this year was maintained in Hartford. It was moved to Buffalo on Jan. 1.

C. R. Kealey, who was manager of the office, is opening an inland marine department for the Dubuque with head-

the Luxury that Women Love HOTEL PRESIDENT



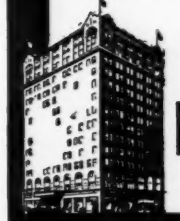
The little things that do so much to make one feel at home are especially evident at Hotel President. Close to all the finest theatres and shops. Splendid food in the Coffee Shop or Walnut Room. Prices most moderate.

PERCY TYRRELL
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GARAGE DIRECTLY OPPOSITE ENTRANCE

KANSAS CITY

BALTIMORE at 14th STREET
JUST OUT OF THE NOISE ZONE



450
ROOMS
WITH BATH
from \$2.

Washington Agents in Live Wire Meet

(CONTINUED FROM PAGE 3)

petitioned to appoint a state traffic safety commission to coordinate the work of numerous organizations. Dr. N. D. Showalter, state superintendent of public instruction, was asked to develop and install a course in public safety as a part of the regular curriculum of the public schools. A strong resolution favored the enactment of a qualification law at the legislative session next January.

The convention program got under way with a dinner meeting of the executive committee with the local board presidents. Allan Wolff was in attendance and conveyed the policies and practices of the national body on a number of important questions.

President Thieme Gives Review

Chairman Hevly called the first regular session to order. Mayor Dore of Seattle welcomed the visitors. Harry Paxton, president of the Walla Walla Insurance Agents Association, responded. President Thieme reviewed the year in his report, giving special emphasis to the membership record which was achieved.

"How the Local Agent Can Increase His Income Through Advertising" was discussed by Herbert H. Kirschner, San Francisco advertising man. "The Accident Prevention Movement" was reviewed by Nelson R. Anderson, president of the Seattle Traffic & Safety Council. Harold N. Mann of Tacoma, chairman of the league's safety committee, recommended the resolution urging Governor Martin to appoint a traffic safety commission.

"What the Agent Wants" was Allan Wolff's subject. He admonished the agents to come into court with clean hands before asking the companies to clarify their inconsistencies. The present National association administration, Mr. Wolff said, is the strongest he has ever seen in action. The inconsistency of agencies representing both standard and non-standard companies was pointed out. Those agents who endeavor to switch assureds from standard compensation coverage to a guaranteed self-insurance plan are working against their own interests. Agents are also guilty of not practicing what they preach when they fail to direct out-of-state business through agency channels, he declared.

Compensation Problems Discussed

"How to Write Workmen's Compensation Coverage on Borderline Risks," was discussed by Arthur E. Campbell, Seattle insurance attorney. The problem created by overlapping coverage between the state fund and private protection for non-hazardous occupations is a serious one in Washington, said Mr. Campbell. He pointed out several safeguards that can be employed by agents. E. L. Skeel, a Seattle attorney, reviewed state regulation. He stressed the importance of agents and company men actively engaging in campaigns to protect the business from attacks by unscrupulous politicians. "The Moral Hazard," a three-act playlet by four Spokane field men, injected considerable levity. Participants were G. J. McGaffigan, America Fore; M. B. Mitchell, Hartford Fire; R. S. Aitken, American; J. A. Sabiston, Hartford Accident.

Cyrus K. Drew, editor of the "Western Underwriter," who was to have been toastmaster at the annual banquet, was suddenly taken ill with a sinus infection and was unable to come to Seattle the last minute. The banquet was a colorful affair attended by over 400 agents. Carl N. Homer of San Francisco, manager of Swett & Crawford's fire department, presided. Mr. Wolff was presented with a painting of Mt. Rainier, bearing a plate and inscription from the Washington league. He responded with some informal comments. Newly-elected officers and guests were introduced and there followed an hour of professional entertainment.

The closing business session was opened by Raymond L. Ellis of San

Francisco, assistant secretary for the Fireman's Fund, who gave an illustrated talk entitled "Main Street." He discussed the human equation in salesmanship and he scored heavily with the agents. He was followed by Charles J. Frisbie, Seattle general agent of the New England Mutual Life, who had the crowd in varying moods as he enacted his homely sales truisms and injected humorous imitations and examples. "Strike, Riot and Civil Commotion Insurance" was next on the program, with Louis LaBow, Seattle agent, leading the discussion. Patrick Henry Winston of the state highway department sounded a plea for public cooperation in the enforcement of the new state motor vehicle act. There was a moonlight cruise and dance aboard the "Kalakala," on Puget Sound, followed by a late cabaret supper party. Over 80 golfers traveled over the Inglewood course, competing for an array of 30 prizes. A horseshoe tournament drew a large number of contestants.

All five of the retiring members of the league's steering committee were unanimously reelected. They are: James M. Blair, Puyallup; H. H. Petershagen, Everett; E. B. Arthaud, Hoquiam; Ralph G. Percival, Vancouver; and M. B. Hevly, Seattle.

WASHINGTON SIDELIGHTS

Several hundred agents and visitors tested their reaction time on the Aetna Casualty's reactometer.

The "Moral Hazard," a comic skit depicting a small town local agent's activities, had the convention in stitches. X. S. Cutt (J. A. Sabiston of the Hartford Accident) of Byrne, Wash., threw out the Pacific Board Fire Insurance Company for the sake of a long commission. He was getting along in fine style, he thought, until the Asbestos Underwriters went into the hands of receivers and he found his bank account attached. Robert S. (Scotty) Aitken, American of Newark, was Lotta Wark, Cutt's berouged stenographer. M. B. Mitchell, Hartford Fire, impersonated the flamboyant O. Watta Ham, special agent for the Asbestos Underwriters, while George J. McGaffigan, America Fore, was himself as fieldman for the Pacific Board Fire. The three act skit was a merry interlude, with a fine moral, in the first afternoon's business program.

Allan Wolff, Chicago, the National association's representative, was in Seattle a week. Mr. Wolff's bodyguard, his 16-year-old son, Peter, and his young friend, Marshall Johnson, got a big hand when they were introduced at the annual banquet. The two boys did the driving for the former National association president. Before arriving in Seattle, the trio visited Boise and Portland, attending the Idaho and Oregon conventions, respectively.

Past President James A. Miller of Bellingham, who was resting in a Seattle sanitarium at the time of the meeting, received a cheerful message signed by all of the members of the executive committee, officers, local board presidents and Allan Wolff.

The executive committee authorized the officers of the league to bid for PWA fire insurance on university buildings, the commissions to be distributed to members of the organization.

A large contingent of San Francisco executives attended the sessions. Among them were Joy Lichtenstein, vice-president and coast manager for the two Hartfords; R. R. Chapman, vice-president, Corroon & Reynolds; Arthur M. Brown, Jr., Edward Brown & Sons; Walter Van Orden, manager, Pacific Factory Insurance Association; Carl N. Homer, fire department manager, Swett & Crawford; A. N. Lindsay, vice-president, California-Commercial Union group; A. B. Knowles, Pacific marine manager, St. Paul Fire & Marine; Frank C. Chadwick, vice-president, Firemen's group; L. S. Gregory, assistant secretary, Fireman's Fund; Raymond L. Ellis, assistant secretary, Fireman's Fund; Matt B. Evans, superintendent of agencies, Royal-Liverpool group; H. F. Mills, manager, Aetna Fire group; M. H. Thomson, assistant manager, National of Hartford; John M.

Wyllie, Jr., assistant secretary, Springfield group.

Sidney Smith attended the meeting—not Sidney Smith of Gainesville, Ga., the national association's membership leader. The delegate is a local agent at Opportunity, Wash., and joined the Washington league and the National association during the recent drive. His namesake wrote him a letter, and Sidney Smith responded by joining.

W. B. Rasmussen, the state agent for the Home group at Portland, was in Seattle for the convention.

The Royal-Liverpool groups distributed special spiral bound notebooks which met with instant popularity.

John L. Noble, manager of the British Columbia Underwriters Association at Vancouver, came down for the meeting. He was on the convention program at Bellingham last year.

The advertising department of the Fireman's Fund prepared a series of charts for Raymond Ellis' talk on "Main Street." His discussion aroused much interest and the charts were invaluable in helping to emphasize the numerous points brought out in the address.

Stuart C. Fiske, Seattle agent, won low gross honors in the golf tournament at Inglewood. He was followed by Agents Frank N. Bellingar, Bellingham, and C. Harry Williams, Seattle.

The annual horseshoe tournament was won by Mark A. Reese of Seelye & Co. Wayne C. Meek, Seattle agent, was second. Harold Rowley and Kenneth Meyers were third and fourth, respectively.

Ten Outside Speakers for Convention of Iowa Agents

(CONTINUED FROM PAGE 3)

Address, "What an Insurance Agent Can and Should Do for Safety"—J. Dillard Hall, assistant agency superintendent, U. S. F. & G., Baltimore.

2:40. Address, "The Price Complex of Insurance Salesmen"—Wallace Rodgers, Western Underwriters Association.

3. Report of legislative and grievance committee—Chairman J. F. McCargar, Council Bluffs.

Address, "Social Security Legislation"—Thomas Watters, Jr., attorney, Des Moines.

3:30. Address, "Recapturing Automobile Business"—Walter Meiss, New York, executive general agent London Assurance.

4. Reports of the nominating and auditing committees. Election of officers.

4:15. Boat ride on the Mississippi and inspection of the new government locks and dam.

Wednesday Evening

7 p. m. Anniversary banquet. Toastmaster—Will H. Harrison, state agent National Fire.

Introduction and comments on past presidents—Robt. M. Evans and Chester E. Ford of Des Moines, W. A. Scherfe, Fort Madison.

Introduction of state officers and special guests.

Address, Ernest Palmer, insurance director, Illinois.

Thursday Morning

Breakfast session for agents only—Sam T. Morrison, Iowa City, national councillor, presiding.

9:30 a. m. Convention assembles.

9:45. Address, "The Supplemental Contract"—I. H. Ramaker, assistant secretary, Security of Davenport.

10. Report of farm committee—Chairman R. E. McCauley, Atlantic.

Address, "The Trend of Farm Insurance"—C. E. Parks, Chicago, president Farm Underwriters Association and farm superintendent National Fire.

10:30. Report of the resolutions committee, chairman J. R. Vaughan, Waterloo.

10:45. Address, "A Message from the National Association of Insurance Agents," W. Owen Wilson, Richmond, Va., chairman executive committee National Association of Insurance Agents.

11:15. Discussion.

11:45. Unfinished and new business, awarding attendance cup, greetings from new officers.

12. Adjournment.

Thursday Afternoon

1 p. m. Golf at Davenport Country Club.

Meeting of the old and new executive committee.

2 p. m. Farm conference to discuss relationship of small town agent with the

state and National associations, to deal with the problems of this agent and including particularly his farm problems. State and national officers, the Iowa farm committee, officers of the Farm Underwriters Association, representative agents from adjoining states and interested Iowa agents will participate.

Contests in Davenport

A cash award will be made by the Davenport Insurance Association for the simplest and best system of office records and accounting adaptable to either the small or large local agency.

The committee will mount the submissions on display racks in the convention hall. They will be judged, prizes awarded according to merit and featured in the program.

A second award will be made for the best new selling idea, business producer, or advertising stunt.

Joe Wagner is chairman of the contest committee.

Ask Bowen Not to Adopt Marine Definition in Ohio

(CONTINUED FROM PAGE 3)

which might be regarded favorably because such a classification then would become a fixed quantity. Under these conditions it could be counted upon as the prevailing procedure for all time and thus it probably would acquire at least moderate, or possibly great, usefulness. The committee, however, is impressed with the fact that this not only cannot be expected, but that it has not actually occurred, and points to the fact that a joint committee on interpretation and complaint was set up in the beginning to determine from time to time the application and meaning of the various sections of the proposed definition, both in respect to types of coverage or of property ordinarily considered as 'marine,' and in respect to new matters which might arise. The work of that committee has produced a large number of interpretations and rulings, each of them modifying in some way the definition as it existed previously.

Program Can't Be Foretold

"Taking this into consideration, your committee feels that, if it were to recommend the adoption of the proposed definition, it would be compelled, if consistent, to recommend also that the superintendent of insurance be guided by and accept many, or perhaps all, of such modifications as might be made from time to time by the joint committee on interpretation and complaint. We are not willing to make this recommendation because we believe that we then would be asking unfairly that the superintendent of insurance commit himself, the public, and the insurance business to a program the details of which could not be foretold."

COMPANY NEWS

Springfield F. & M. Statement

The Springfield Fire & Marine as of July 1 shows assets \$31,614,867, premium reserve \$11,132,245, capital \$5,000,000, voluntary reserve \$500,000, net surplus \$12,986,840. It had an underwriting profit of \$47,823.

National Union Figures

The National Union Fire as of July 1 shows assets \$15,492,584, reinsurance reserve \$6,318,785, capital \$1,100,000, voluntary reserve \$900,000, net surplus \$5,374,474. The premium reserve increased \$65,461.

Sandstrom Heads Svea of Texas

O. W. Sandstrom, an attorney of Austin, Tex., has been elected president of the Svea Fire Insurance Association succeeding John Nelson of New Sweden, who has served for 22 years. Mr. Nelson was elected vice-president.

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The NATIONAL UNDERWRITER

August 20, 1936

CASUALTY AND SURETY SECTION

Page Twenty-seven

List Speakers for Casualty Meeting

Several of Those to Appear at White Sulphur Convention Announced

SESSIONS SET FOR OCT. 6-8

Lunt, Pink, De Celles, McCoy and Wadsworth Will Be Heard at Joint Parley

NEW YORK, Aug. 19.—Announcement is made this week of several speakers who will appear on the program of the joint annual convention of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents at White Sulphur Springs, W. Va., Oct. 6-8.

E. C. Lunt, vice-president Great American Indemnity, will give a paper on "Bankers Blanket Bonds." Major General F. R. McCoy, commander of the first army, will be another speaker. Insurance Superintendent Pink of New York and Commissioner DeCelles of Massachusetts are scheduled as well as Deputy Commissioner C. A. Gough of New Jersey. Another speaker is Congressman J. W. Wadsworth of New York.

E. C. Stone, United States general manager and attorney of the Employers Liability, is president of the International Association while C. A. Abrahamson, president Omaha Insurance Agency, heads the casualty agents' organization.

Will Appeal Georgia Case to the U. S. Supreme Court

NEW YORK, Aug. 19.—Appeal to the United States Supreme Court from the decision of the Georgia supreme court in the case of Hartford Steam Boiler vs. State of Georgia has definitely been determined upon by those handling the litigation. The case involves that section of the resident agency law of Georgia which forbids the licensing of a salaried stock company employee as an agent.

Must Report Equipment

COLUMBUS, O., Aug. 19.—A ruling has been issued by the Public Utilities Commission to require that all motor carriers report to their insurance companies every 30 days a complete description of all the vehicles used by the assured and not specifically described in the policy. A great deal of trouble has been incurred in the past by the failure of operators to report all equipment, although the Public Utilities Commission endorsement extended the insurance to all equipment of the carriers. Violation of the new ruling will mean cancellation of the motor carrier's license.

Adopt Federal Insurance Rules on Motor Carriers

Interstate Commerce Commission Outlines Its Regulations Under New Act

WASHINGTON, Aug. 19.—The Interstate Commerce Commission's insurance regulations for motor carriers under the new federal act which goes into effect Nov. 15 are as follows:

1. Reasonable minimum amounts of insurance for bodily injury or death on each motor vehicle transporting passengers are and will be as follows: For one person, \$5,000; subject to that limit per person, for all persons in any one accident where the seating capacity is 7 passengers or less, \$15,000; 8 to 12 passengers, inclusive, \$20,000; 13 to 20 passengers, inclusive, \$30,000; 21 to 30 passengers, inclusive, \$40,000; and 31 passengers, or more, \$50,000; and for property damage, \$1,000.

2. Reasonable minimum amounts of insurance on each motor vehicle transporting property for bodily injury or death are and will be: For one person, \$5,000; subject to that limit per person, for all persons in any one accident, \$10,000; and for property damage, \$1,000.

Cargo Requirements

3. A reasonable minimum amount of insurance to cover loss or damage to property belonging to shippers or consignees and coming into the possession of such carrier in connection with its transportation service is and will be: For the loss or damage to property carried on any one motor vehicle, \$1,000; for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place, \$2,000.

4. A reasonable minimum amount of protection as a condition to the issuance of a broker's license is and will be a bond or other security in the sum of \$5,000.

Full Limits on Surety

5. Each certificate or policy of insurance or surety bond with corporate or individual sureties filed with us for approval must be for not less than the full limits of liability prescribed by us; and in each case in which surety on any bond is a surety company, such company must be one approved by the United States Treasury department under the laws of the United States and the applicable rules and regulations governing bonding companies.

6. Upon this record, no set rules governing the qualifications for self-insurers can be established and for the present we will receive and consider for approval the application of any motor carrier which can establish to our satisfaction its ability to satisfy its obligations for bodily injury liability, property damage, or cargo liability without affecting the stability or permanency of its business; and we will also consider applications for approval of securities or

(CONTINUED ON PAGE 38)

Explanation of Various Phases of Ruling Given by Federal Body

WASHINGTON, D. C., Aug. 19.—The long awaited insurance requirements under the motor carrier act of 1935 have been issued by the Interstate Commerce Commission. The requirements go into effect Nov. 15. The \$5,000-\$15,000 minimum liability limit is decidedly lower than the \$10,000-\$50,000 originally proposed by the Bureau of Motor Carriers (see adjoining column for full details). The commission states that while it believes the higher limits of liability desirable, practical considerations prevent their adoption at the present time. Higher limits would penalize the smaller carriers too much and the commission feels that when more adequate experience is assembled, rates can be reduced, which automatically would allow for increased limits.

Brokers Must Supply Bonds

One of the moot questions in the hearings was whether the commission should attempt to qualify companies from which it would accept insurance certificates. It had been proposed that a \$250,000 surplus be required to qualify an insurer, but it was decided that insurance companies legally authorized to transact business in each state in which their policies cover operations of the insured motor carrier be accepted. If the company is not licensed in all states, additional policies from licensed com-

(CONTINUED ON PAGE 38)

Over 1,000 Will Attend the Aetna Casualty Regionals

The Aetna Casualty regional convention at Colorado Springs, Sept. 3-5, for those agents that qualified during the contest period from Oct. 1, 1935, to July 1, 1936, will be attended by about 350. At White Sulphur Springs, W. Va., Sept. 10-12, there will be about 700.

Vice-president W. L. Mooney will head the home office contingent at White Sulphur while Vice-president C. B. Morcom will be the senior official at Colorado Springs.

The first Aetna Casualty convention was held in California in 1915, the second in Hartford in 1918, and the third and last prior meeting was in Hartford in 1931 in commemoration of the new home office building.

There will be business programs two mornings at each convention.

Fred E. Breisch, manager of Colorado and Wyoming, with headquarters in Denver, is in charge of the convention preparation at Colorado Springs. Mayor Birdsell will welcome those who attend. The banquet will be held the night of Sept. 5.

Illinois O. D. Rates, Rules Are Given

National Council Sends Out Bulletin Giving New Information on Procedure

EXPLAIN EXTRA CHARGES

Endorsement Forms Not Yet Ready—Heavy Special Charge for Abrasive and Sand Blasting Hazards

A new circular giving the rates and rules for handling occupational disease coverage under the new Illinois law which becomes effective Oct. 1, has been sent out by the National Council on Compensation Insurance.

There is a complete rate setup included for occupational disease coverage and revised rates are given for straight workmen's compensation insurance. In view of the fact that the regular compensation laws after Oct. 1 provide no indemnity of any kind for occupational disease, the regular compensation rates have been revised. In the past there has been a loading in Illinois for occupational disease coverage, because under the existing law certain specified diseases were covered. This disease loading has been removed from the compensation rates and the charge for most of the classifications has been reduced. However, some classifications have been increased.

Previous Circular

In certain respects, the new circular is a repetition of material that was presented in a previous circular. Among the new features is a specific occupational disease element or charge.

The O. D. rates for certain classifications include an additional specific occupational disease element to provide for specific O. D. hazards because of the raw materials, processes or products normally involved in such classification. This specific O. D. element may be removed for certain classifications if the raw materials, processes or products normally creating a specific hazard are not present in the particular risk.

In connection with most classifications where there is a specific O. D. charge, the difference between the full O. D. rate and the specific O. D. element is 5 cents. Thus if the specific O. D. element is removed, the rate to be charged will be only 5 cents.

This special O. D. charge is removable only when the hazard is nonexistent in classifications marked by asterisks. Approval of the removal must be obtained from the home office. Partial removal of an O. D. element shall not be allowed.

Another new feature that is announced in the circular is the supplemental loading. A supplemental O. D. loading may be added to the O. D. rate for any indi-

(CONTINUED ON PAGE 34)

Court to Reopen the Case Involving Pacific Mutual

CHIEF REASON FOR ACTION

Latest Developments in the Effort to Reorganize the Company and Save Policyholders

Commissioner Carpenter of California found it desirable to reopen the Pacific Mutual liquidation case entirely and so petitioned Superior Judge Willis at Los Angeles to declare the old company in liquidation and make him liquidator. Superior Judge Edmonds ordered the liquidation of the old company and appointed Mr. Carpenter as liquidator on July 22. Commissioner Carpenter felt it desirable to file the new petition because Judge Willis reopened the entire case last week to avert the question as to Judge Edmonds' qualification to act. Judge Edmonds is a life insurance policyholder in the Pacific Mutual. A hearing on the new petition was set for late this week.

Powers Resigns as Chairman

Heman T. Powers of Chicago, who was made chairman of the policyholders' protective committee of the Pacific Mutual, announces that he has resigned. Mr. Powers was at Mackinac Island and was called up over the long distance telephone to see whether he would act. He did not have a real picture of what was intended and said that he would tentatively serve subject to review when he returned to Chicago. On his arrival in the city after investigating the situation he resigned.

Following the resignation of Mr. Powers as chairman of the policyholders' committee at Chicago, R. A. Pick, secretary of the committee, announced that it has been dissolved.

Later a new committee was formed, headed by E. B. Tilton, president Central-Illinois Company. The committee announced that it has retained counsel in Los Angeles and proposes to be represented actively in all ensuing hearings.

Revenue Department Claim

The internal revenue department has income tax claims of \$500,000 against the old Pacific Mutual Life, according to U. S. District Attorney Hall at Los Angeles. Commissioner Carpenter of California stated that the old company had ample reserves set up to care for all tax claims. The government is interested in the hearing in the Pacific Mutual case this week.

The Bank of America National Trust & Savings Association is being represented at the hearing inasmuch as the bank holds stock of the Pacific Mutual as trustee for some of its depositors.

Emmett Aiken, C. E. Fisher, Harold Beeman and C. R. Burrows have been selected as members of the Los Angeles grand jury committee to attend the hearing.

Watches Case Closely

Because of the income tax claim, Eugene Harpole, special attorney for the bureau of internal revenue, requested that in future he be served with documents in the case for information of the government. U. S. Attorney Hall said that Mr. Harpole appeared at his request. George Warren, foreman of the grand jury, announced that he had named a committee to follow the court proceedings relating to the Pacific Mutual.

Pacific Mutual officials state there is no basis for federal investigation of the income tax payments; that the money under contention is set aside in a separate fund available to the government if the old company loses its contentions that the taxes in question are not proper.

Officials, insurance commissioners and attorneys for both the companies also

(CONTINUED ON PAGE 36)

Futz' Picnic Was Success in Every Sense of the Word

By W. J. SMYTH

EIGHTY-FOUR, PA., Aug. 19.—Joseph Futz, the leading local insurance man, went to bed Monday night with the paeans of praises of happy policyholders ringing in his ears due to the fact that his watermelon picnic that day for customers and field men was such an outstanding success in every sense of the word.

From 2 p. m. when the first guest, Kizzie Eitel, the elderly spinster who is always asking everyone if she can go to the postoffice for them, arrived at Feibig's grove until 3 a. m. when the last field man was poured to bed in Mathilda Schmidt's tourist rest, the picnic never lagged, attesting the foresight of Mr. Futz in laying his plans so carefully and indicating his great natural ability as a host and mixer.

Dillard Hall Makes Plea

On the serious side the high point of the program was reached when J. Dillard Hall of Baltimore, the eloquent assistant agency director of the U. S. F. & G., made a passionate plea that the residents of 84 do everything in their power to end the frightful slaughter and maiming of innocent parties on the highways. Mr. Hall went on to explain that it is not the insurance companies that make the rates but it is the policyholders themselves who make automobile what he called p. l. insurance so high because if the policyholders are reckless and maim and kill innocent parties, then they must expect to "pay the freight."

After he had finished with his formal oration Mr. Hall invited Mr. Futz' guests to ask questions.

Cynic Is Heard From

William Imig, who has a cynical disposition, asked why it is he has to pay \$28.75 for his automobile insurance when no one has been hurt in an auto accident in 84 since Jan. 23, 1934, when James Reichgott broke his arm while cranking an old Model T.

Mr. Hall, not the least nonplussed, explained that in such a comparatively small city as 84 the credibility factor must be taken into consideration and that it would only take one bad accident in 15 years to put 84 in the red, actuarially speaking.

Bokman on "Why We Are Here?"

Another high point in the speaking program was the appearance of C. H. Bokman of Pittsburgh, executive state manager in western Pennsylvania for the New Amsterdam Casualty, who spoke on the subject "Why Are We Here?" Mr. Bokman said he believed such functions as Mr. Futz had promoted are conducive to more sympathetic understanding of the problems of the insured by the insurer and the problems of the insurer by the insured. He asserted that gatherings of this kind are very beneficial as they tend to discourage un-American and unconstitutional tendencies.

Mr. Bokman was very laudatory in praising Mr. Futz. He said that if all agents were as faithful as Mr. Futz in representing the true interests of the policyholders and the New Amsterdam Casualty there would really be no reason to have a state manager because things would go along so easily without one.

Telegram from E. C. Stone

Mr. Futz, who presided at the speaking program in scintillating style, mixing the serious with some jewels of well chosen humor, displayed with no little emotion a telegram from E. C. Stone, United States general manager of the Employers Liability. Mr. Futz had hoped that Mr. Stone would attend the picnic and give the principal address be-

(CONTINUED ON PAGE 37)

Will Have Standard Form to Be Used in Oklahoma

PHILPOTT VISITS COMPANIES

State Board Has Ordered a Uniform Policy for Automobile Liability and Property Damage

The Oklahoma Insurance Board has been able to bring about uniformity in rates of fire insurance and on Sept. 1 has ruled that there will be no further deviations. The board has made a careful study of the subject and came to the conclusion that uniformity in contracts and rates is of value not only to the insurance business but to the public. Now it has taken the bull by the horns so far as automobile liability and property damage is concerned.

The companies belonging to the National Bureau of Casualty & Surety Underwriters follow the manual. The board discovered that in addition there were some 39 different contracts and sets of rates in the state. Therefore the members determined to bring about uniformity. They contacted with the American Mutual Alliance, the mutual company organization, and advised with some of the noted non-conformists. The board has adopted the contract recommended by the insurance division of the American Bar Association and this policy has been made the Oklahoma standard form for automobile liability and property damage and will be put into effect Oct. 1.

Secretary S. W. Philpott is visiting general and home offices to acquaint the officers with the purpose of the board and seeking to enlist their cooperation.

Pays 8 Percent of Claims

ST. PAUL, Aug. 19.—Because of the heavy July loss ratio of American Mutual Protective Association, one of the wildcat outfits operated by M. E. Bean, he informed his policyholders they could be paid only 8.65 percent of their claims. Income for the month was given as \$566, expenses \$199.47 and losses \$4,235. The concern is not licensed in Minnesota or any other state so far as known.

Will Pay His Respects to the Towner Bureau



W. H. STEWART

One of the principal speakers at the convention of the National Association of Insurance Agents in Pittsburgh will be W. H. Stewart of Chicago, who will pay his respects to the Towner Rating Bureau for its practice of promulgating lower contract bond rates on federal projects with a heavy cut in commissions.

Two New Coverages Added to the Plate Glass Policy

WILL SIMPLIFY ADJUSTMENTS

Endorsements to Cover Damage to Frames and Cost of Moving or Replacing Obstructions

Two new coverages to be incorporated under the standard plate glass policy have been promulgated by the National Bureau of Casualty & Surety Underwriters. The policy may now be endorsed to cover the cost of repairing or replacing the frames in which any of the insured glass is set. A specific amount of insurance must be applied to this coverage, the annual rate being 5 per cent of such amount, subject to no discount, with a minimum premium of \$1 per endorsement. The other endorsement covered the cost of moving and replacing any fixtures or other obstructions made necessary by the replacement of any of the insured glass. A specific amount of insurance must also be applied to this coverage, the annual rate being the same as for coverage on frames.

Coverage Is Broadened

The two new endorsements not only broaden the coverage of the standard policy, but also rectify certain difficulties experienced in adjusting plate glass losses in the past. In regard to frames, it was found in many cases that the frames had become warped from the effects of extremely cold weather or become damaged as the result of the breakage so that considerable repair was necessary before replacement of the plate could be made. The new coverage, therefore, offers protection from this hazard. The new endorsement on removal of obstructions also eliminates many difficulties formerly experienced. In many cases it was found that neon signs had been installed directly behind the plate. Consequently, it was often found necessary to hire an independent contractor to remove the signs before the glass could be set. Other obstructions of a similar nature were also a source of difficulty.

Weigh Compulsory Air Cover

Members of the National Conference of Commissioners on Uniform State Laws, meeting in Boston in advance of the convention of the American Bar Association, discussed the desirability of compulsory third party airplane insurance. Perhaps they got their inspiration from the meeting place because Massachusetts is the only state that has a compulsory automobile liability insurance law. Proposal was also advanced that aircraft owners be forced to pay \$10,000 for death and \$5,000 for personal injuries caused in airplane accidents, regardless of negligence. Some of the members favored requiring each owner to be insured for \$50,000 against liability for injury to persons or property on the ground and \$25,000 for property damage caused by collision.

The commission also considered laws relating to common disaster if both man and wife die together in accidents. Although the theory has been that the woman dies before her husband, the commissioners took cognizance of actuarial statistics that after the age of 50 the wife tends to outlive the husband.

Another subject at the conference was the desirability of uniform state laws dealing with length of time a person may be missing before legal presumption of death. The commissioners recommended that heirs of supposed dead persons be required to file bonds based on the reasonable life expectancy of the missing person.

Mrs. Frances B. Knowlton of Ashtabula, O., has transferred her agency to her daughter, Dorothy A. Knowlton.

Salvage Affects Rates in Surety

Involved Rules of Law Must Be Straightened Out to Make Recoveries

AVERAGE IS 23 PERCENT

J. H. Schisler of F. & D. Claim Department Gives Interesting Talk at Meeting of Insurance Counsel

WHITE SULPHUR SPRINGS, W. VA., Aug. 19.—Over 300 had registered prior to the opening of the annual meeting of the International Association of Insurance Counsel here today.

The address of welcome was by Homer A. Holt, attorney general of West Virginia and the response for the association by its vice-president, G. P. Hayes of Milwaukee. In his presidential address J. Roy Dickie reviewed the history of the association and said one of its chief services of the association has been in the legislative field. Much proposed legislation inimical to the insurance business was successfully opposed the past year.

WHITE SULPHUR SPRINGS, W. VA., Aug. 19.—Salvage as an important factor in surety cases was discussed by J. Harry Schisler, assistant manager and attorney of the claim department of the Fidelity & Deposit, at the convention here of the International Association of Insurance Counsel. Mr. Schisler dealt with salvage in fidelity and fiduciary cases, saying that the handling of salvage in the contract field was too broad to include in his own paper.

Salvage in one company over a 15 year period averaged 23.6 percent of the losses, varying from a low of 17.2 percent in 1931 to a high of 37.5 percent in 1927. Naturally such a large recovery has a direct bearing on rates, as rates would have to be higher if there were no recoveries.

Advises Salvage Division

Salvage work begins, or should begin, at the time a loss is reported. It is necessary to begin at once the tracing of how a loss occurred and where the money went, with a view to recovery from those who received it illegally. This investigation is especially important because of the fact that the surety must often decide in what manner settlement must be made in order to best protect its salvage rights.

Generally, best results follow when salvage is handled by a separate department at the home office. The claim department handles all stages of a loss up to the time that payment is made. Thereafter it should be turned over to a department which does nothing else but follow up the possible recoveries.

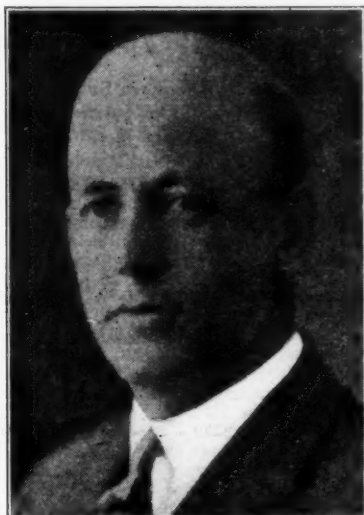
It may have to resort to speedy action to repossess securities which have been transferred with defective title.

Repayments Often Voluntary

Strange as it may seem cases where the principal voluntarily reimburses the surety for its loss are not infrequent. This is the simplest kind of salvage case to handle and needs no comment. Even without a formal indemnity agreement from the principal, the law implies an agreement on his part to reimburse his surety for all direct damage which the latter may sustain by reason of its suretyship.

Certain fidelity forms are so broad now that the relation of principal and

Man of the Hour



S. L. CARPENTER, JR.

Insurance Commissioner Carpenter of California is being given great credit for the conspicuous part he has taken in bringing about a reorganization of the Pacific Mutual Life. A man of integrity, ability and experience, Commissioner Carpenter started his task in a thoroughly logical way. When he entered office he inherited more or less confusion and had to straighten out his own department before he could do anything else. Even before he took office Commissioner Carpenter realized what was coming with the Pacific Mutual Life. From that time on he prepared for the time when he would have to act. In all the negotiations he was able to conduct them without publicity.

Cammack Analyzes Setup of the Aetna Life Companies

HOT SPRINGS, VA., Aug. 19.—E. E. Cammack, vice-president Aetna Life, in addressing the regional conference for life insurance agents of his company here, gave an interesting analysis of the Aetna Life financial setup. He pointed out that Aetna Life owns 50 percent of Aetna Casualty and 80 percent of Automobile and Standard Fire. These affiliates, he opined, are very advantageous to the parent company and constitute a source of strength.

Aetna Life last year, according to Mr. Cammack, made a profit of \$2,000,000 on its own direct casualty business, \$2,500,000 on Aetna Casualty and \$1,800,000 on the fire companies.

The decline in profits of Aetna Life due to reduced interest earnings is more than offset from the profits of its affiliates. The ratio of surplus to assets of Aetna Life is 5.7 percent. The market value of stocks of the affiliates is \$15,000,000 more than the figure carried in its portfolio. The market value of stocks and bonds combined is \$20,000,000 above the statement value. Last year the increase in premiums of Aetna Life companies was \$8,500,000.

He referred to non cancellable accident and health. Aetna Life's accident and health premiums run between \$8,000,000, and \$9,000,000 but only 1 percent is non-can. Aetna Life started to write non-can in 1920 and quit it a year later.

At the banquet President M. B. Brainard told of the gradual transfer of all casualty writings to Aetna Casualty. It is a unique experience, he said, to see a large business being liquidated in this way. Aetna Life finds in the procedure that the reserves it set up for claims are more than adequate. Aetna Casualty for the first six months made a handsome record. The fire companies did not make the profit they did a year ago as the loss ratio is up.

Boiler and Machinery Lines Now Offer Opportunities

More opportunities exist today than ever before in the sale of boiler and machinery coverages and by soliciting these lines every agent can increase his total volume appreciably, according to E. G. Watson, manager Seattle department of the Hartford Steam Boiler, who spoke before the Oregon State Agents Association at Portland.

Although machinery insurance is a comparatively new coverage, its growth has been tremendous. Breakdown insurance covering turbines has only been offered in the United States for about 12 years, but Mr. Watson pointed out that today, as never before, owners of expensive machinery are finding that insurance is not only a protection against serious exposure to financial loss, but is also an excellent business investment because the examinations by inspectors and the suggestions they make not only increase safety, but also often lead to better operating efficiency and lower cost.

Renewals Are Automatic

One important advantage in soliciting boiler and machinery lines is that renewals are virtually automatic because of the service provided by the inspection staff in working for interests of the assured throughout the entire policy term. Heating boiler and the smaller machinery premiums can readily be solicited because agents are already handling the assured's fire and other lines and they will do their clients a distinct service by calling their attention to the need for the other coverages.

Generally speaking, Mr. Watson declared prospects for these lines exist wherever water is heated, where engines or other prime movers are operated to supply mechanical power and wherever electricity is generated or used. The simplest application of boiler insurance is in heating installations. Although every residence heated by steam or hot water is a prospect for this cover, experience indicates that medium and better grades of residences offer the best prospects because their owners are more likely to be insurance-minded. Inasmuch as the agent is also selling them fire insurance, automobile and perhaps other lines, he therefore has an excellent entree for residence boiler insurance. A simple method of rating has been devised for this line, that any agent can quote accurately by using an ordinary rate card. The only information he needs is the number of heated rooms in the residence.

Other Prospects Given

Among other prospects for heating boiler insurance are the great number of buildings which are heated by steam or hot water. These include all buildings with radiators, such as apartments, schools, churches, lodges, courts, institutions, stores, automobile show rooms, service stations and a great many others. In most of these, an explosion of a steam boiler or water heating equipment would not only do great property damage but would also mean the owner is liable for claims because of personal injuries to others brought about by the explosion.

Mr. Watson gave as an example a recent explosion of a hot water boiler in a Seattle apartment house, causing \$50,000 loss. There was no insurance on this building at the time of the explosion, the man having dropped it some time previously, but insurance for the amount of the loss could have been purchased for \$136 for three years. Many other similar losses are occurring almost daily during the heating boiler season and the field is still uncovered to a great extent. Mr. Watson stated the danger of explosion in hot

water supply equipment is just as great as for heating boilers. They are used throughout the year, accidents in many cases being dependent on the care of the user, and consequently provide a constant hazard.

He called attention to the fact that in Oregon, particularly, the lumber industry alone provides unlimited possibilities for the sale of these lines. This industry is dependable upon the successful operation of its boilers, engines, turbines and electrical apparatus and the explosion or breakdown hazard is serious, not only because of property damage but also because of loss through interruption to production. The canning industry likewise provides excellent prospects. This being a seasonal industry, the loss because of failure of any key apparatus would cause an extremely serious financial loss. A good sales point to remember is that there are reductions in premium for periods of non-operation in excess of three months, which, in the case of canneries, would lower the cost of coverage considerably. Other good prospects, Mr. Watson stated, are flour mills, grain elevators and meat packing plants. Also, wherever food is manufactured or stored, refrigerating systems and compressors used in connection with them should be covered. An accident to a refrigeration system may cause serious loss because of spoilage of foodstuffs contaminated by ammonia fumes.

Small Policy Also Written

A policy is also written now covering the small electrical refrigerators used in homes. This is a field that has scarcely been touched and as the rates are comparatively low, the agent has fertile possibilities.

Mr. Watson pointed out that many businesses are today installing air conditioning apparatus, containing refrigerating equipment, and the growth of this industry will provide many opportunities in the future. This is an electrical age, he declared. Privately owned utilities and municipal power plants make extensive use of boilers, turbines and a variety of other machinery. Municipalities and utilities are now showing greater interest in insurance on expensive power generating objects. The fact that a single turbine accident can cause a loss of \$100,000 or cause a breakdown of the entire production structure of a large utility means that a serious hazard is constantly present. Irrigation activities now current in many sections of the country provide good prospects as they make extensive use of electrical apparatus and pumps. Foundry and machine shops also utilize boilers, air compressors and air tanks. Among manufacturers using power are clothing plants, tanneries, brick and tile yards, cigar factories, cleaners and dyers, fireworks manufacturing plants, woolen mills, etc.

Opportunities for building an increased volume through boiler and machinery insurance largely depends on the agent's enthusiasm in presenting the need for the coverage. Mr. Watson pointed out that the agent in selling the line is doing a great service to assured because of the benefit throughout the policy term. It cannot help but create good will and increase the client's confidence in his agent.

H. E. Hill, Chicago manager of the Great American Indemnity, who has been on a two months trip to Denver and the Pacific Coast in the interest of his health, is now back on the job, much improved. L. C. Knapp, assistant manager, who conducted the office in Mr. Hill's absence, is now vacationing in the upper peninsula of Michigan.

(CONTINUED ON PAGE 33)

Florida Compensation Rate Increase Meets Opposition

DELAY GRANTED FOR BRIEF

Industries Claim More Experience Should Be Had Before Any Revision Is Made

TALLAHASSEE, FLA., Aug. 19.—In a general meeting here to discuss proposed compensation rate increases the state was represented by Commissioner Knott; the manufacturers by Vice-President E. A. Vrieze, of the Associated Industries of Florida; the Florida Industrial Commission by Chairman Wendall Heaton, and the National Council on Compensation Insurance by Secretary H. F. Richardson. Mr. Knott presided. Mr. Vrieze was assisted by the general counsel of his organization, H. K. Northrup of St. Louis, who asked for and was granted 15 days in which to file a brief, copy of which he will send to Mr. Richardson. Experience upon which rate increases are requested by the companies was on the first six months of the operation of the new law, July 1 to Dec. 31, 1935. During this period the losses were \$572,121.58, premiums \$590,460.98.

Mr. Vrieze said his organization was opposing any increase in rates, and that employers all over the state felt that not enough time had elapsed to secure sufficient experience to intelligently reach a conclusion as to what is a fair general schedule. In five meetings held in various parts of the state employers resolved unanimously that they were "unalterably opposed" to rate revision at this time, he stated.

Northrup Gives Views

Mr. Northrup said the rates had been established by the National Council, and if the council had made a bad "guess" it should be made to pay for it. Arguing that not enough time had been given for a fair trial of the rates, Mr. Northrup said he had never before heard of a state attempting a revision upon a six months basis of experience. He thought 18 months should be allowed to pass, and then make a study on the figures for a full year.

Mr. Northrup was opposed to a flat increase and urged revision by classifications as the only proper method. He doubted the accuracy of the figures secured, also attributed results in many cases to poor inspection or no inspection at all by the companies.

Mr. Richardson, arguing to the request of the carriers for a blanket increase of 24.07 per cent, admitted that asking for revision at this time was somewhat "unusual," but that other factors entered into the request. He said that the council had never had a state fool it as bad as Florida had. In addition to the loss figures, he said that other trends clearly showed that the rates were too low.

He pointed out that 13 companies writing 65 to 70 percent of Florida compensation business show that 75 percent of the losses the first six months of operation were duplicated in the second six months; that accidents increased 30 percent in the second six months; that death claims for the first six months were 51 and 61 for the second six months and that there have been six deaths during the first 15 days of August.

When rates were approved, Mr. Richardson continued, the companies figured that Florida experience would be comparable to the five nearest states, but Florida death claims, in ratio to population, were more than twice as many as in the five surrounding states.

Chairman Heaton did not believe that the heavy losses could be charged in any way to the company adjusters, who had been alert and faithful in looking after the interests of their principals. He definitely contradicted the implica-

ACCIDENT AND HEALTH FIELD

New Loyal Protective Plans

Boston Company Announces Policy Liberalizations, Reviews Its Experience on "Non-Can" Forms

John M. Powell, president Loyal Protective, has announced a 15-point program, including extension of non-cancellable protection up to two years; making policies cover "his occupation" rather than "any occupation"; adoption of a hospital reimbursement provision; adoption of air travel provision; elimination of all increases on initial premiums over renewal premiums; agreement to pay full accrued indemnity each 60 days during disability; elimination of increase in premium when insured reaches age 50.

For many years the Loyal has featured a non-cancellable policy providing coverage against both accident and non-confining illness, but has restricted such policies to certain fraternal groups. It has now extended that coverage to provide payments during the life of policy, not exceeding two years.

Limits "Non-Can" Coverage

It has always advocated a limitation on coverage granted under non-cancellable policies. It attributes its favorable experience largely to such restriction. The difficulties which have been experienced in the non-cancellable field appear to have been caused by the lack of a limit in the amount that can be paid any one policyholder. As its experience has shown that approximately 99½ percent of all claims, whether due to accident or sickness, will not exceed 12 months in duration, the Loyal feels that the extension of coverage to two years will give complete protection for all but an extremely small percentage of bona fide disabilities.

In the non-fraternal field, an accident policy providing coverage for two years and non-cancellable from first day is issued. For combined accident and sickness, however, the policy is made guaranteed renewable only after being in force for two years. During that two-year period, it is non-cancellable during the term for which premiums are paid. The company feels that a probationary period of two years will determine whether the insured may safely be carried under a non-cancellable policy.

New Zenith Life Setup

AUSTIN, Tex., Aug. 19.—Management and operation of the Zenith Life has been taken over by Emery H. Hughes and associates. The company has opened offices at 428 Littlefield building, with Mr. Hughes as president and treasurer; J. A. Thompson, vice-president, and C. M. Kella, secretary. It is chartered to write life, health and accident insurance.

Continental Appoints Harfst

John Harfst has been appointed special agent of the accident and health department of the Continental Casualty, Chicago branch, traveling throughout several mid-western states beginning Aug. 30. Mr. Harfst has been taking special training for several months in the Chicago branch. He was formerly an agent in the Woody agency of the Equitable Life of New York in Chicago, following which he made a trip to the Orient prior to going with the Continental.

tion of inadequate inspection on the part of Mr. Northrup.

In allowing Mr. Northrup 15 days to file a brief Mr. Knott gave Mr. Richardson 5 days to make answer after receiving the Northrup brief.

To Declare a Stock Dividend

Life & Casualty Directors Receive Report Showing Fine Increases During First Six Months

Cash dividend of 12½ percent and a stock dividend of 33⅓ percent have been recommended by the directors of the Life & Casualty of Nashville. Its gain in assets for the six months was \$1,142,292. Its net increase in surplus after paying \$35,547 cash dividend to stockholders Feb. 28, was \$520,674. Its assets are now \$16,445,564. Its net surplus is \$1,764,500. It has \$185,491,004 life insurance in force and \$245,124,000 travel and pedestrian accident insurance in force. Its net earnings for the first six months were \$520,674, which is more than enough to pay the 25 percent stock dividend in February next year. This will bring the capital up to \$1,000,000.

President Burton in his report to directors said that July was the greatest July in net increase in the history of the company, it being \$1,289.96. The capital is now \$600,000. Of its assets \$3,651,030 are mortgages, \$2,175,314 real estate, \$6,283,315 bonds, \$908,558 stocks, \$906,182 cash, \$1,558,710 policy loans.

Fix Tentative Program for California State Meeting

SAN FRANCISCO, Aug. 19.—The Hotel Cecil was selected as the location for the California State Accident & Health Association's annual meeting here Sept. 19, at a special luncheon of the San Francisco Accident & Health Managers Club.

Tentative program arrangements provide for a business session in the morning, with installation of new officers at the beginning of the afternoon sessions, followed by several inspirational and informative accident and health addresses, with general discussion of those talks, and a banquet in the evening.

George H. Kemper, Fireman's Fund Indemnity, is chairman of the general committee and is assisted by James Brown, Standard Accident, and Stephen Chelbay, Commercial Casualty. Mr. Kemper is chairman of the entertainment committee; Mr. Brown, finance, and Mr. Chelbay, program. Other members of that committee are: Bert R. Jones, Maryland Casualty; Fred W. Timby, Preferred Accident; W. B. Burge, Ocean Accident, and George Johnson, U. S. F. & G.

Illinois Bankers Life Has Convention of Leaders Club

With 132 agents and home office executives in attendance, the Leaders Club convention of the Illinois Bankers Life was held this week in Chicago. New club officers installed at this meeting include: L. H. Kaufman, Wichita, Kan., president; J. E. Etheridge, Conway, Ark., vice-president life department; E. P. Bock, Cape Girardeau, Mo., vice-president commercial division, accident and health department; A. W. Barnes, Monmouth, Ill., secretary.

The installation was conducted at the opening of the first session by Vice-president Karl Korrad, who also awarded prizes for production results. President W. H. Woods of the Illinois Bankers extended greetings to the field force. Hugh T. Martin, general counsel, spoke on "Our Company," and Levering Cartwright, assistant managing editor of THE NATIONAL UNDERWRITER, "A Word from the Press."

At the afternoon session, Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, spoke on the opportunities for selling

accident and health insurance at this time, citing figures compiled by his office showing the increase in business for the first six months of this year, and emphasized the necessity for stressing the fundamental purpose of income protection.

O. F. Davis, assistant director of agencies and manager of the accident and health department, presided at the second day's session, in which accident and health topics were especially featured. Speakers at that session included G. G. Swisher, field supervisor, "The IBLA Accident & Health Policy Kit"; F. L. Hildebrand, Kansas City general agent, "Saving Sales with Savings Policies"; W. M. Chittenden, field supervisor, "Can It Be Sold?" referring to accident and health insurance; W. R. Martin, field supervisor, "Accident and Health Agency Recruiting." Discussion leaders included L. L. Caldwell, general agent; H. D. Davis, manager Indianapolis district office; H. D. Ownby, Paris, Ill., who has averaged 40 accident and health applications a month for several years and has more accident and health premiums in force than any other representative of the company.

Vice-president E. H. Henning was the chief speaker at the banquet, at which Mr. Korrad was toastmaster.

Company Designating Doctor Held Practicing Medicine

The recent ruling of the attorney-general of Nebraska to the effect that a policy issued by a Lincoln company covering surgical services constituted the practice of medicine appears to have been given some support through an opinion of the California district court of appeals for the second district in the case of Benjamin Franklin Life Assurance Company vs. Mitchell, which was a mandamus proceeding to compel the state insurance commissioner to approve a policy providing indemnity for medical and hospital expense. This particular policy provides reimbursement only when the assured is wholly under the care of doctors approved and designated by the company. The court held that this constituted the practice of medicine, which is barred to a corporation under the California law.

This decision appears to have been based primarily on the fact that the doctors were to be designated by the company and accident and health insurance men generally feel that it will not have any effect on policies containing medical reimbursement or hospital indemnity features where there is no limitation on the selection of physicians.

Accident and Health Gains

The first six months of 1936 showed an increase in accident and health premium volume of 11.5 percent, according to the Health & Accident Underwriters Conference. A group of companies selected because of the different types of disability business written—commercial, monthly and weekly industrial, and special coverage—showed premiums for the first half of this year of \$20,666,149 compared to a total of \$18,520,731 written in the same period in 1935. Loss ratios show improvement, being 50.0 percent for the 1936 first half as against 52.1 percent in 1935.

Chicago Branch Expanding

The Chicago branch of the National Surety, located in the Insurance Exchange building, is taking on additional space adjacent to its present quarters. The office has shown a 40 percent increase in volume for the first seven months of 1936, necessitating larger space and additions to the staff. Fidelity lines account for about 23 percent of the volume. The office writes no direct business, dealing only through agents and brokers.

EDUCATION

ONE CITY'S RECORD

IN 1926—48 CHILDREN
KILLED BY AUTOMOBILES

SAFETY INSTRUCTION
WAS THEN BEGUN

IN 1927—29 WERE KILLED

IN 1935—9 WERE KILLED
(NONE ON THE WAY TO
OR FROM SCHOOL)

HOW CAN WE ADULTS
BE EDUCATED AS
EFFECTIVELY?

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President

CASUALTY PERSONALS

Paul G. Garey, secretary of the Commercial Casualty and Metropolitan Casualty and head of the accident and health department of those companies, was in Chicago this week, following a visit to Indianapolis, where his mother, now 68, recently was forced to undergo the amputation of a leg at the knee. In spite of her advanced age, she is making a good recovery.

Officers and employees of the American Mutual Liability's Philadelphia force tendered a surprise banquet to **J. F. Kane**, resident vice-president, on the 40th anniversary of his association with the company. **K. A. Colahan**, district engineering manager, was toastmaster and presented Mr. Kane a gold watch and chain, a gift from employees in the middle Atlantic district.

C. W. Hobbs, special representative of the National Association of Insurance Commissioners to the National Council on Compensation Insurance, is in the Massachusetts Memorial Hospital, Boston, having been taken ill on the train while en route to Swampscott,

where he planned spending his vacation. His illness is believed not to be serious, though an operation will be required. He will probably be unable to make his scheduled address before the American Bar Association's insurance section in Boston Aug. 25.

Lynton T. Block and his wife are vacationing at Sea Cliff Inn, Nantucket, Mass. Mr. Block is president of the Utilities of St. Louis.

W. E. White, superintendent of agents in the accident and health department at the home office of the Continental Casualty, Chicago, is on a western vacation trip. He is expected to return about Sept. 1.

Lieutenant-governor **J. H. Price** of Virginia, well known in insurance circles, so far is the only announced candidate for the Democratic gubernatorial nomination in that state.

He is known as the father of Virginia's workmen's compensation act, having piloted it through the Virginia legislature in 1918. He has been en-

gaged for many years in adjusting claims for casualty companies with offices in Richmond.

Frank H. Cook, who died at his home in Newark from a heart attack, was well known in casualty insurance circles, having retired last year after a service of 40 years with the Ocean Accident.

R. W. Hagan, special agent Fidelity & Casualty, Louisville, has returned to his office after a honeymoon trip. He was married Aug. 4 to Miss Mildred Elizabeth Graves, formerly of Murray, Ky.

E. S. Berry, 69, vice-president and general counsel Hartford Steam Boiler, died in a hospital at New London, Conn. Mr. Berry had been in poor health the past year, his condition becoming critical early last week.

He was born at Titusville, Pa., and attended Harvard law school, graduating in 1894. While still in college, Mr. Berry assisted in legal work at the Boston office of the Employers Liability and remained in that capacity for 13 years. In 1903 he was in charge of litigation in New York City and vicinity for the Aetna Life Companies, being appointed in 1908 to organize the companies' legal and claim department in

Request by German Zep Ends in Shattered Hopes

PHILADELPHIA, August 19.—When the Hindenburg, newest German zeppelin, arrived at Lakehurst, N. J., on its last trip, the Philadelphia branch of one of the big eastern casualty companies received a phone call to dash to Lakehurst to inspect the airship. Visioning a giant policy of some kind or other, the office rushed a man to Lakehurst. On his arrival, it was found that the German flying firm had wanted some information about workmen's compensation for its few office employees and porters at Lakehurst. And to "rub it in" still more, it developed that since telephoning, officials had discovered they already had the coverage.

Florida. In that year he was also appointed counsel at the home office of the Hartford Steam Boiler, was made assistant secretary and counsel in 1917 and in 1922 became vice-president and general counsel. He was widely known as an authority on boiler and machinery insurance and at various times served in a consulting capacity to aid in framing state laws governing the safe construction and operation of boilers. He was also prominent in civic affairs in Hartford, serving as director of the Hartford community chest and being active in many other organizations. The funeral was held at his home, 24 Cone street, Hartford.

Insurance Lawyer's Library

The amazing extent to which insurance provides the activities of the legal profession is suggested by an address on "The Insurance Lawyer's Library," delivered by Stanley M. Rosewater of Omaha at the annual convention of the International Association of Insurance Counsel at White Sulphur Springs, W. Va. Mr. Rosewater's talk occupied 28 printed pages, although scarcely any work referred to got more than a brief paragraph. The index alone occupies two and one-half pages. The references run from THE NATIONAL UNDERWRITER, with its current news, to the 20-volume "Encyclopedia of Automobile Laws." The classifications included insurance text books, insurance and automobile authorities, compensation, medical-legal, and miscellaneous. Mr. Rosewater said that most lawyers probably cannot afford to buy all the books that they would like to, but he believed with the comparatively few he had stressed an industrious lawyer could be well prepared to defend his clients' interests. There was very little on life insurance law, although "Accidental Means," by Martin P. Cornelius of the Continental Casualty, came in for high praise.

Prizes for Air Liability Papers

The law faculty of Northwestern University, administering the income of the Charles Clarence Linthicum Foundation, is offering \$1,000 and a bronze medal as first prize and not more than five second prizes of \$100 each with honorable mention, for the best monographs submitted by March 1, 1937, on "Carrier Liability in National and International Air Commerce." The articles are to include discussion of liability to passengers, shippers and others for personal injuries and property damage. The author must be a member of the bar or of a faculty of law.

Central Surety Has Low Bidder

The Central Surety of Kansas City had the bid bond of the Massman Construction Company of Kansas City, which is apparently the low bidder for construction of Dam No. 22 in the Mississippi River at Saverton, Mo. The Massman bid was \$2,111,511 as compared with a government estimate of \$2,306,269.

AS DEEPLY ROOTED

and

AS STURDY

as an OAK

established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

Salvage Affects Rates in Surety Underwriting

(CONTINUED FROM PAGE 29)

surety hardly exists between the surety and the employee. Fidelity bonds probably should be called policies. It is doubtful if there is any implied agreement of indemnity in a case of that kind. The surety in proceeding against a defaulting employee under such a bond will usually find it best to proceed by way of an assignment of the claim of its insured.

In the cases of strict suretyship the surety usually has a written agreement of indemnity from its principals. These agreements are usually broader and stricter than the law would imply, and where there is such an agreement it supersedes the implied agreement.

Must Be Really Liable

Recovery from the employee or principal naturally depends on whether the principal was liable or not. A surety cannot acknowledge liability under the bond, and pay an alleged loss, when in fact the principal himself was not liable. That is, it cannot recover from the principal if the principal was innocent of any default and the surety paid mistakenly. However, some indemnity agreements in bonds contain a provision to the effect that the vouchers and other proper evidence showing payment of a claim by the surety will be conclusive of the principal's obligation to reimburse the surety in the absence of fraud. Some courts have upheld the validity of this provision and others have refused to uphold it. The effect in an action by the surety to recover from the principal is chiefly on the burden of proof. Some courts hold that the surety must establish its case, while others put the burden on the principal to break down the surety's claim.

Indemnity from third parties is very unsatisfactory. The indemnitor gets the benefit of all legal points, and even when the surety wins, the indemnitor may not be able to pay.

It may be that agents and others are unfamiliar with the fact that when the principal in a bond defaults the payment by the surety does not extinguish the obligation. That is, even if the surety settles with the obligee, the obligation continues. Often the default is not discovered during the lifetime of the principal. If the surety pays, it can recover not only from the principal himself, but from his estate or even from his heirs if the estate has been distributed.

If there has been any fraud in obtaining the bonds, the principal cannot get a discharge from the obligation by going through bankruptcy. Under a very recent decision of the United States Supreme Court, a contractor gave a false statement of his resources in order to obtain the bond. After his default he went through bankruptcy, but the Supreme Court said that he still owed the surety, and was not discharged from his obligation on the bond obtained through fraud. This is quite important, because contractors often pad their statements in order to obtain a larger bonding limit. If such a contractor gets into financial trouble he may find himself with a debt

(CONTINUED ON PAGE 37)

New Minnesota Rates Delayed

MINNEAPOLIS, Aug. 19.—Shifting from the old system to the unit statistical plan of making compensation rate calculations in Minnesota is delaying somewhat the revision in rates this year. Both the Minnesota compensation insurance board and the Minnesota rating bureau are now completing their compilations preparatory to the meeting of the National Council in New York. Filing of new rate proposals by the rating bureau in Minnesota is expected to be made some time in September which will allow ample time for hearings and the required legal publication. Both James F. Reynolds, manager of the rating bureau, and A. H. Kleffman, secretary of the compensation board, plan to attend

the meeting of the National Council in New York.

Kemper Opening Life Agency

James S. Kemper, head of the Lumbermen's Mutual Casualty organization, has actively entered the life agency field and will open a general agency of the General Mutual Life of Van Wert, O., at 1 La Salle street Sept. 8 with C. J. Cooney as agency manager. Mr. Kem-

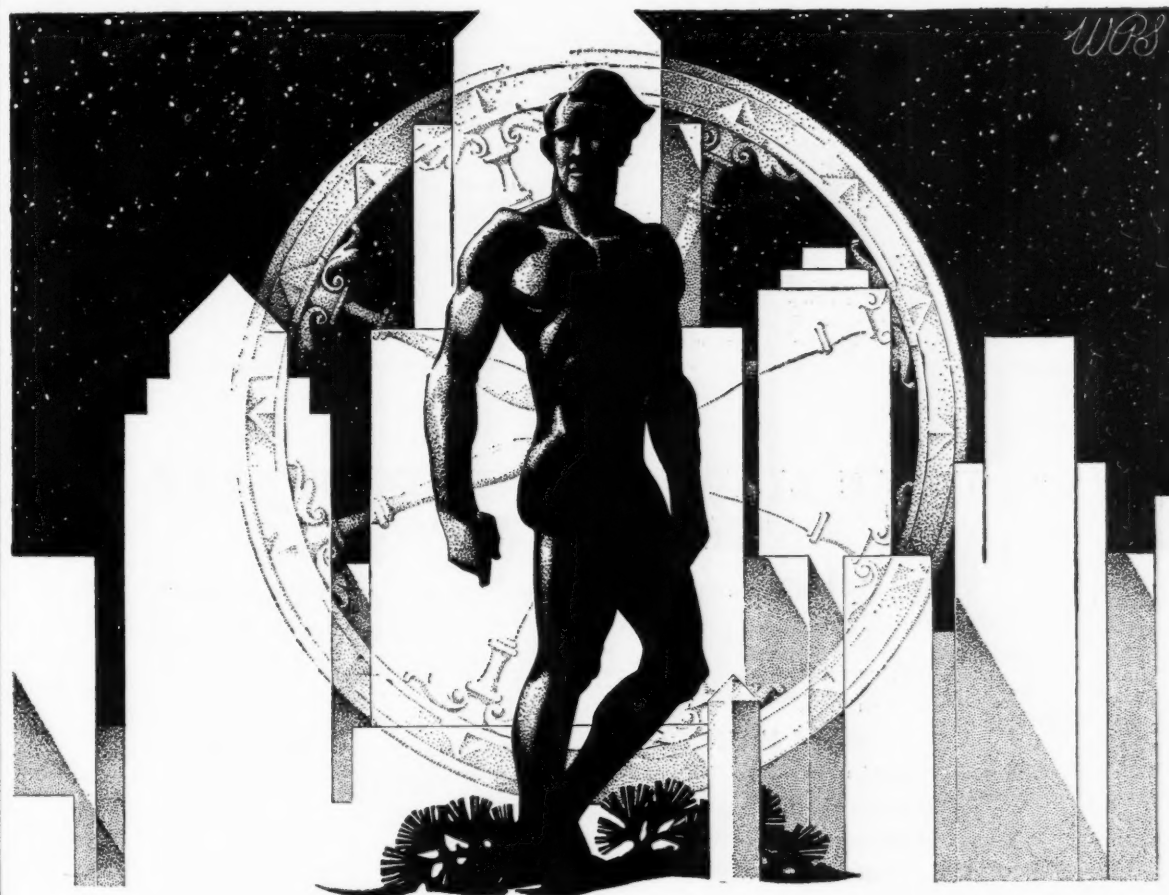
per has for some time been vice-president of the General Mutual, which is operated by the same interests as the Central Manufacturers Mutual Fire of Van Wert, of which he is general agent.

To Open Dallas Branch

DALLAS, Aug. 19.—A Dallas branch office under the management of J. P. McGrayal, Indianapolis branch man-

ager of the National Surety for several years, will be established by the Seaboard Surety of New York as soon as it receives a license in this state. The Dallas branch will be located in the offices of John H. Awtry & Co., general agents.

R. S. Hoffman & Co., Boston, recently was appointed agency for the Rhode Island.



THE LAWS OF CHANCE ARE KNOWN IN NATIONAL SURETY TOWN

No one can measure individual human capacity to stand the stress and strain of modern life.

Yet dwellers in National Surety Town are secure against the losses that follow moral breakdowns—the losses that have wrecked so many businesses.

Though we cannot measure the individual, experience shows that out of each thousand men or women in positions of trust, a given number will crack under the strain of temptation or opportunity.

Fidelity bonds bring known values into a world of unpredictables in which trusted employees do abscond—in which the unexpected does happen.

Safeguard yourself, your employees, your business, by living in the tranquil atmosphere of National Surety Town. National Surety representatives everywhere—themselves picked men—are selling Fidelity protection; plus protection against burglary, forgery, and many other dangers.

NATIONAL SURETY CORPORATION
VINCENT CULLEN, PRESIDENT
New York

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Illinois O. D. Rates, Rules Are Given

(CONTINUED FROM PAGE 27)

vidual risk where the occupational disease hazard is abnormal. Such a loading is applicable to the individual risk and not to classifications as a whole. It shall be applicable when the indications are that the normal O. D. rate is inadequate. The loading is subject to determination and approval of the home office. The loading must be reconsidered for each succeeding policy period.

Then there is a special O. D. rate for abrasive or sand blasting hazards. The payroll of all employees exposed to an abrasive or sand blasting hazard in any risk, however classified, except classifications designated by the symbol "S", must be specifically stated. A supplementary O. D. rate of \$8.27 shall be charged on this payroll in addition to the standard O. D. rate. The premiums thus obtained shall be in addition to the earned premium on the entire payroll of the risk and/or the minimum premium, as otherwise determined.

For the purpose of this rule, payroll exposed to abrasive or sand blasting shall include the entire payroll of all employees so exposed regardless of

whether they are engaged in these operations upon a full time basis or only intermittently.

In its application to chemical and dye rating plan, the occupational disease charge for any chemical classification shall consist of an occupational disease charge of 5 cents to cover the general O. D. hazard and, provided any of the chemicals shown in a table are used or manufactured, an additional specific O. D. element as indicated in the table of such chemicals. For instance, for many of the lead and phosphorus classifications the O. D. element is 28 cents. The lowest element is 7 cents for any of the chemical hazards.

The National Council, in its latest circular, was not able to present the forms of endorsement to be attached to the compensation policy covering the O. D. hazard. Hugh Harbison of the Travelers and E. W. Sawyer of the Liberty Mutual were in Chicago last week conferring with the Illinois Industrial Commission on this question. P. J. Angsten, chairman of the commission, stated this week that there would be no difficulty in getting up necessary forms.

The big question now to be decided is how to handle the risks that are not able to obtain insurance. Mr. Angsten expressed the belief that the O. D. situation could be handled right along

with the regular compensation assigned risk plan in the state. He said it is not likely that there will be a pool to divide the liability among all participating companies but that each company to which a risk is assigned would be responsible for the entire liability.

The industrial commission has given approval to the wording of forms to be used by those employers who elect to come under the occupational disease law. Some of the companies have already sent out these forms to their assured, advising that they return them and come under the law.

Much interest is taken in the meeting that J. D. Cronin of the industrial commission has called for Aug. 28 to discuss occupational disease endorsement forms, underwriting practices and the assigned risk plan.

Although the National Council has been cooperating with the industrial commission in preparing acceptable endorsement forms, some of the companies have gone ahead and prepared forms of their own. One company, for instance, has prepared a form for attachment to the compensation policy definitely excluding occupational disease coverage, another for extending the compensation policy to cover O. D. and a third for attachment to present workmen's compensation policies.

Casualty Field Changes

Taylor Heads Detroit Office

Assistant Agency Manager of Fidelity & Deposit Made Resident Vice-President in Motor City

Ashby C. Taylor, assistant manager of the agency department of the Fidelity & Deposit and formerly manager of its southeastern branch in Atlanta, has been named resident vice-president in charge of the Detroit branch, succeeding Vice-president J. L. Straughn, who died recently.

Mr. Taylor entered the insurance business in Philadelphia at the home office of the Indemnity of North America. After a year he was transferred to the city department of that company as special agent and subsequently to Atlanta in the same capacity. In 1924 he became identified with Spratlin, Harrington & Thomas, prominent Atlanta agency. Two years later he was appointed manager of the bonding department of the Atlanta branch of the Employers Liability.

When the Fidelity & Deposit opened its branch office in Atlanta, Mr. Taylor was appointed assistant manager and within four years had risen to manager. In September, 1934, he was appointed assistant manager of the F. & D. agency department, in which capacity he supervised the operations of branch offices in Richmond, Atlanta, New Orleans, Memphis, Louisville, Dallas, Houston, Oklahoma City, Omaha, Minneapolis, St. Louis and Kansas City.

Moller With Great American

Richard W. Moller, formerly with the Aetna Casualty, has joined Great American Indemnity as field superintendent in Iowa and Nebraska with headquarters in Des Moines. He takes the place of C. L. Bowers, who resigned some time ago to become assistant manager in Iowa for Massachusetts Bonding. Before his connection with the Aetna Casualty, Mr. Moller was with the Travelers. L. C. Knapp of Chicago, assistant manager of the central department of Great American Indemnity introduced Mr. Moller to the agents in the territory.

Day with B. & M. Mutual

Eldon W. Day, for the past seven years in the automobile underwriting department of the Lumbermen's Mutual Casualty, Chicago, has been appointed to the automobile underwriting department of the Builders & Manufacturers Mutual Casualty, Chicago. He will take up his new duties Sept. 1. Mr. Day has had many years experience in the field and at one time was with Darby Day & Co., Chicago.

Dodge Has Mass. Bonding

Albert Dodge, well known local agent of Buffalo, has taken the general agency of the Massachusetts Bonding. Spencer Welton, vice-president of that company, went to Buffalo and completed the arrangements. Mr. Dodge is well known in affairs of the New York State Local Agents Association and in the National association. In the latter organization for several years he has been chairman of the committee on publicity and education. For 20 years he was vice-president of the Armstrong-Roth-Cady Company agency of Buffalo.

The American Employers is now represented at Chattanooga, Tenn., by the E. Cecil Phillips agency.

Spencer Welton, vice-president of the Massachusetts Bonding, with headquarters in Chicago, is vacationing at Los Angeles and along the Pacific Coast.

PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE

This field offers attractive commission possibilities in a number of lines—

Contractual	Owners' Protective
Contractors'	Product
Contractors' Protective	Residence, Estate and Farm
Elevator	Sports
Manufacturers'	Golf
Owners,' Landlords' and	Teams
Tenants'	

This business is to be had

in the small town as well as in the large city,
in sports as well as in the business field.
It's everywhere.

Write for our descriptive booklet.

**AMERICAN
SURETY
COMPANY**

1884

Organized

**NEW YORK
CASUALTY
COMPANY**

1890

Home Offices: 100 Broadway, New York

Branch Offices in Principal Cities

Both Companies Write

Fidelity and Surety Bonds and Casualty Insurance

NEWS OF THE COMPANIES

Road Builders Plan Company

Would Be Incorporated in Michigan to Write Compensation and Surety Business Nation-Wide

DETROIT, Aug. 19.—Plans have been launched in Michigan for a casualty and surety company to write road, bridge and tunnel builders' compensation and surety risks exclusively, on a nation-wide basis. It will be known as the American Road Builders Insurance Company and will be incorporated in Michigan with \$500,000 capital.

The movement was initiated by the Michigan Road Builders Association, some of whose members feel that compensation rates, especially on tunnel and other hazardous jobs, are excessive.

The proposal is to form a stock company to be owned and operated by and for contractors, the capital to be raised by subscription allotment among the members. The president, vice-presidents, secretary-treasurer and directors would all be road builders. A practical insurance executive with experience in these fields would be sought as general manager.

Business would be written at manual rates, with a limit on dividends. The commission paid to salesmen would be "very small."

Inspired by Smaller Contractors

Michigan casualty and surety executives believe the plans for the new company were inspired by a group of disgruntled smaller contractors who are forced to pay manual or penalty rates for their compensation coverage because of unfavorable experience. Some of the large contractors are self-insurers and consequently would scarcely be interested in the new company, say the insurance men, while others among the larger operators enjoy a considerable discount off manual rates because of favorable experience and adequate safety measures. Still others are employing the London Lloyds 30 percent plan, which would seem to be even more favorable for the larger contractors than the proposal of the new company.

Name of Company Changed

Stockholders of the Cornbelt Life of Lincoln, Neb., voted to change the name to the Woodmen Central Life. Officers of the Woodmen Accident purchased control of the Cornbelt some months ago, and will operate it in connection with the business of the accident company. It is planned to utilize the larger part of the accident agency organization in the sale of life insurance, but active entrance into the field must wait until this is accomplished and the life company, now licensed only in Nebraska, enters in the 17 states in which the accident company operates.

Gains for Central Surety

KANSAS CITY, Aug. 19.—Admitted assets of the Central Surety increased \$134,361.81 in the first six months. Total reserves were up \$82,263, and surplus \$52,098. Premium reserve showed a gain of \$113,975. Net premiums, after reinsurance, were \$1,742,228, as compared with \$1,722,014, a \$20,214 gain for the first six months.

National Standard Expands

The National Standard of Houston, which is developing long haul truck and bus business under a reinsurance arrangement with the First Reinsurance of Hartford, has obtained licenses from Louisiana, Arkansas and Mississippi to write casualty lines. The expansion was arranged through John H. Awtry & Co., general agents for the transportation department.

Will Check on Central Mutual

Illinois Department Will Review the Condition Sept. 1 to See if Requirements Are Met

The Illinois department will make another check-up on the Central Mutual of Chicago the first of the month to see whether the requirements made by the representatives of 18 insurance departments at a conference some days ago have been complied with. The company has sufficient funds on hand to pay all claims without any doubt and to meet all obligations. The difficulty is that the statutory reserves have eaten up its surplus. It made arrangements for London Lloyds to take over a large amount of unexpired liability which releases about \$150,000 from reinsurance reserve accounts. Then the general agents here and there, who are deeply interested in the welfare of the company because of their large business placed with it, agreed to raise \$70,000 and President Harold Shlensky \$30,000. That would

make \$250,000. Then it was proposed through other revisions and economies to bring the total fund up to \$300,000 if possible. The insurance commissioners are not disposed to embarrass the company if it can work itself out and it is believed that it will. It has put into effect higher rates and the general agents through a plan of cooperation will probably have more to say as to its activities.

U. S. Casualty Men Advanced

NEW YORK, Aug. 19. — E. H. O'Connor and Charles McLaughlin are now assistant secretaries of the United States Casualty. Both have been identified with the office for a number of years, Mr. O'Connor having joined its staff in 1925, after several years' service with the Royal Indemnity, while Mr. McLaughlin's connection dates from 1932. The former is head of the personal accident and health department, while Mr. McLaughlin heads the burglary and plate glass division. Mr. O'Connor is chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters, a post he has held for two years.

Resource Casualty Seeks Grave

The Resource Casualty Company of Philadelphia, which was organized in

March of this year to liquidate the Penn General Casualty, has petitioned the Dauphin county court for permission to dissolve its charter. It was originally capitalized at \$100,000. In the petition for dissolution, assets are listed at \$148,846, with no liabilities.

The liquidation division of the Pennsylvania department took over the affairs of the Penn General in April, 1935. The task was turned over to L. H. Erickson, head of the Philadelphia liquidation division.

The portfolio of Penn General was taken over by Mr. Erickson and the investments so disposed of on a rising market that Mr. Erickson was able to show a profit of over \$150,000. Every claimant of Penn General received 100 cents on the dollar plus interest while the stockholders have already received \$4.50 a share on stock with a par value of \$5. Mr. Erickson said today that he expected to make still further payments to the stockholders.

With the complete liquidation of Penn General, Mr. Erickson said the \$100,000 guaranty had been returned to the Resource, which had as its president Thomas Caldwell, Harrisburg attorney.

Kelly-Halla-Peacock of Detroit have taken larger quarters in the Buhl building.

Automobile Liability Rates

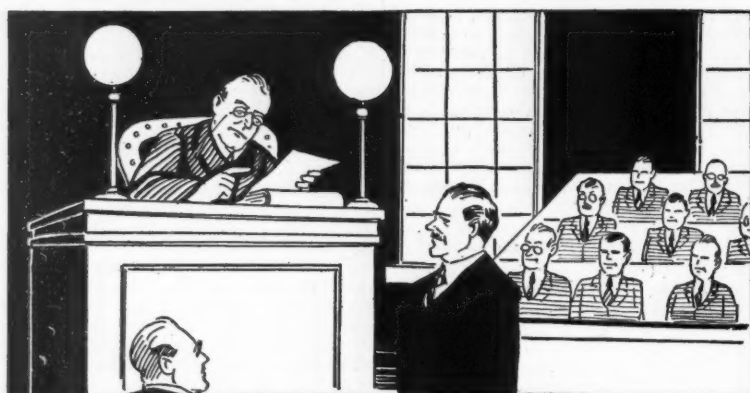
reflect the consciousness of your community regarding
Traffic Safety.

The local agent has a rare opportunity
in his obligation to stimulate that consciousness
because it cultivates good will and increases his business

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group



THE VERDICT!

A Heavy Judgment to Be Paid by the Property Owner

Under the ILLINOIS LIQUOR CONTROL ACT, the PROPERTY OWNER—whether an individual, corporation, trust organization or otherwise—having control of property in which liquor is sold, also the TAVERN KEEPER or Seller of liquor may be subjected to heavy judgments for Personal Injuries—Loss of Means of Support—Damage of Property of others.

The Real Estate and Personal Property of the Building Owner and Tenant may be sold to satisfy such judgments.

Do Any of Your Clients Own or Control Property in Which There is a Tavern?

Do They Know About This Law?

Send for full particulars—now!

A. F. SHAW & COMPANY, INC.
Insurance Exchange CHICAGO WABash 1068

AMERICAN Re-Insurance Co.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1935

CAPITAL	\$1,000,000.00
Surplus	4,044,764.57
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,527,772.91
All Other Liabilities	1,407,161.92
TOTAL ASSETS	10,479,699.40

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

CASUALTY RE-INSURANCE



SEABOARD SURETY CO.

FIDELITY AND SURETY BONDS - CAPITAL \$1,000,000

C. W. FRENCH, PRESIDENT

80 John Street, N. Y. - BEekman 3-7345

Semi-Annual Statements

(From June 30, 1936, reports to the Georgia Insurance Department)

	Capital	Assets	Surplus	First 6 Months	
				Income	Disburse.
American Employers	\$1,000,000	\$ 9,807,760	\$2,342,852	\$ 3,461,964	\$ 2,521,106
American Casualty	500,000	2,501,108	325,000	793,945	748,305
Continental Cas.	1,750,000	27,297,068	3,092,548	10,813,102	8,677,418
Central Surety	1,000,000	5,159,678	960,871	1,905,084	1,779,328
Century Indemnity	1,000,000	9,494,244	1,965,230	3,942,112	2,991,443
Employers Reins.	1,500,000	12,845,262	1,500,000	3,313,533	2,707,406
Employers Liability		41,673,665	8,351,362	18,198,005	14,301,352
Mass. Protective	1,000,000	8,729,384	2,041,583	3,522,497	3,444,442
Mass. Bonding	2,000,000	19,607,532	3,006,688	8,797,009	7,124,219
United States Guarantee.	2,000,000	12,885,759	4,386,023	2,897,864	3,101,728

Court to Reopen the Case Involving Pacific Mutual

(CONTINUED FROM PAGE 28)

contend that offers of reinsurance from other companies do not promise as good a future for policyholders as the reinsurance plan with the new Pacific Mutual Life and also contend that if these plans were presented to a court for ratification they would in all likelihood be rejected.

The stockholders' protective committee of the Pacific Mutual Life, headed by Allan C. Balch, has taken a definite stand in opposition to the plan of rehabilitation. "We feel that the stockholders are the equitable owners of the assets of the 'old' company after all its obligations have been discharged. However, the plan of Commissioner Carpenter does not preserve that equity for the stockholders. In fact, we feel that the plan leaves nothing to stockholders whatsoever," said the committee.

Without Due Process of Law

The committee alleges that the acts of the commissioner are "void and unconstitutional" in that they deprive shareholders of their property without due process of law. The Balch protective group asks that orders in connection with the plan be vacated. It is alleged that none of the shareholders were given the right to appear at the time the orders were made and were not given opportunity to present an alternative plan. The answer further alleges that at the time of the commissioner's proceedings in court, Pacific Mutual was "not insolvent or in such condition that its further transaction of business would have been hazardous" to policyholders, creditors or the public. Findings by the commissioner that the interests of policyholders, creditors and stockholders would best be served by liquidation of the old company are "arbitrary and capricious," unfounded in fact, and without any independent or impartial data to support them, the allegations say. It is further alleged that such findings have been made without any attempt by the insurance commissioner to manage or operate the company as conservator to determine whether conservation could be effected and liquidation avoided.

The committee announced that it represents approximately 10 percent of the outstanding stock.

Among the specific criticisms of the proposed plan made by the Balch committee are those summarized as follows from the committee's allegations:

1. Assets of the old company are transferred to the new company, but the non-cancellable policyholders, creditors and stockholders participate only in a small part of these.
2. The new company would assume the assets, but not the liabilities.
3. Assets would be taken over at admitted values as of Dec. 31, 1935. Actually assets are greater than that amount and furthermore no allowance is made for appreciation since that date.
4. The company's name, good will and agency structure is taken over by the new company without shareholders being compensated.
5. The consideration paid by the new company for the assets is grossly inadequate.

Petitions of intervention seeking to block the reorganization have been filed

by Attorney Hugh K. McKevitt of San Francisco and Andrew J. Copp, Jr., of Los Angeles.

LICENSED IN ALABAMA

BIRMINGHAM, ALA., Aug. 19.—The new Pacific Mutual Life has been licensed in Alabama. Attorney-General A. A. Carmichael is back from Los Angeles, where he went in the interest of holders of noncancellable health and accident policies in Alabama.

VIRGINIA INTERESTS REPRESENTED

RICHMOND, VA., Aug. 19.—The state of Virginia will not be represented at the Pacific Mutual hearing in Los Angeles but a group of non-cancellable policyholders in Roanoke and vicinity who recently organized to protect their interests sent W. P. Hazelgrove, an attorney, to attend the meeting.

N. Y. COMMITTEE ACTIVE

NEW YORK, Aug. 19.—Encouraged by the numerous pledges of support from non-cancellable policyholders of Pacific Mutual Life, resident in this and other cities, the protective committee recently formed here to represent the interests of the class will shortly issue a general letter outlining the basis upon which, in its opinion, the case of the policyholders may most effectively be presented to the California courts. The committee will cooperate with similar bodies wherever such associations are formed.

The committee, headed by G. C. Parsons, who is connected with the Tompkins agency Provident Mutual, has as associates J. Arthur Marvin of F. W. Lafrenz Co., certified accountants, and G. R. Snider of the legal firm of Chapman, Snider, Duke & Radebaugh.

F. B. Daugherty of California is representing the committee in the Pacific Mutual hearing. Study was made as to the basis upon which non-cancellable policyholders' interest may best be preserved; whether through continued payment of premiums under protest, or some other method. The committee will seek power of attorney from policyholders to represent them after a course of action has been mapped. While Pacific Mutual withdrew from New York in 1931, it is estimated to have at least 5,000 non-cancellable policyholders in the state.

Postpone Texas Rate Hearing

Because of the opposition of motor truck operators, the board of insurance commissioners of Texas postponed to Sept. 7 consideration of the application of three casualty companies for a general increase in rates for public liability rates on private and commercial automobiles.

Continue Louisiana Rates

NEW YORK, Aug. 19.—Following establishment of the Casualty & Surety Rating Board of Louisiana, the National Council on Compensation Insurance filed with it a schedule of the rates already in force, asking their continuance until a revision based upon more complete experience can be filed, which will probably be next spring.

The Claude L. Crawford Agency and the Gaffney Agency, both of Detroit, have incorporated.

Salvage Affects Rates in Surety

(CONTINUED FROM PAGE 33)

that cannot be cleared by going through bankruptcy.

Subrogation is an important line of salvage work. When a surety pays a claim, it is subrogated to the rights of the obligee who has been paid. Thus a fiduciary may use trust funds on which he is bonded to pay his private obligations. The surety will protect the trust fund, by paying under the bond, but it has a right to proceed against the persons or corporations or banks to whom the trust funds were improperly paid. An employee may embezzle funds in his care. The surety will reimburse the employer but it can proceed against all those interests that got the money from the employee, unless they received it innocently and for value.

Mr. Schisler's paper included references to a large number of decisions which illustrated the points made.

SELECTING INSURANCE LAWYERS

Estimating that out of casualty and surety premium receipts of \$1,000,000,000 a year, between \$30,000,000 and \$40,000,000 are paid annually to attorneys for representation and the defense of cases, Hugh D. Combs, vice-president United States Fidelity & Guaranty, spoke on "Securing and Retaining Insurance Company Representation" at the convention of Insurance Counsel.

Mr. Combs said attorneys are generally selected by insurance companies because of their reputation for securing successful results. The insurance company executive, seeking an attorney, will inquire of his friends in similar positions with other companies for the name of a good lawyer to handle negligence or surety cases. Recourse is often had to law lists, which are national in character and of recognized standing. It frequently happens that an introduction through the medium of the law list leads to continued and valuable connection for the attorney.

Favors Ethical Advertising

"There are some people today who will tell us that it is unethical for a lawyer to appear to seek business in this fashion," said Mr. Combs. "I do not agree with these proponents of the principles of 'horse and buggy days'."

Mr. Combs declared there is a distinction between bedside solicitation of cases and the ethical advertisement by an attorney of the fact that he is out to make a living practicing law, and is perfectly capable of taking care of certain kinds of litigation.

In the days when some of the fellows who now write the rules for the youngsters were admitted to the bar, everybody in town knew that they were lawyers, and bright young fellows. Today, in the crowded cities, the young attorney scrapes together \$10 for the rent of an office on the 47th floor of a skyscraper, and if he has no means of advertising his capabilities, he very soon ceases to have the resources necessary to pay the rent, and is left the choice of becoming an ambulance chaser or abandoning the practice of law.

Holding the Practice

On the matter of holding the insurance practice Mr. Combs said that the lawyer who has "what it takes," is in no danger of losing out. Topnotchers are doubly scarce today in the law as they are in any other line of human endeavor. The first quality is that faculty for getting results that might be called "creative ability." The next is the ability and the patience to prepare cases carefully. Again, insurance companies today do not like their cases "over-lawed." The attorney who procrastinates with a case which should be immediately settled; who carries a case along until the time of trial at substantial expense and then recommends set-

tlement; or who takes to trial with disastrous results cases which should have been settled, will most assuredly find himself missing from the ranks of insurance company attorneys sooner or later.

Futz' Picnic Was Success in Every Sense of Word

(CONTINUED FROM PAGE 28)

cause of his resonant speaking voice, but this was impossible. In his telegram, Mr. Stone said:

"Regret exceedingly inability to be with you today. Viscount Knollys joins me in expressing the hope that you and all your good friends and thrifty home owners of 84 may continue to enjoy the more abundant life."

Mr. Futz called on each of the visiting field men to say a few words. Each field man spoke feelingly in tribute to Mr. Futz and told the policyholders that this was one agent that could always be depended upon to write their policies so that there would never be any non-concurrence, vacancy or unoccupancy, coinsurance or other technicalities to impair the sanctity of their contracts.

The writer whose name appears above this report was called upon to speak a few words in behalf of the press. After making some observations about a few of Mr. Futz' virtues as a man and as an agent, this writer recalled that Mr. Futz was one of the earliest subscribers to the Fire, Casualty & Surety Bulletins published by THE NATIONAL UNDERWRITER. Without in any way attempting to reflect upon Mr. Futz' native genius as a salesman, this writer asserted that the success of Mr. Futz may be attributed in no small measure to the facts, ideas, and philosophy gleaned from F. C. & S., which this writer characterized as the insurance man's alma mater, from which there is no graduation because there is always something new to learn.

There was one discordant note, which Mr. Futz simply ignored, not wishing to dignify it by paying any attention to it. George Futz, a cousin of Joe Futz, who runs a filling station on No. 62, east of 84, and who represents the Farmers Automobile Mutual Casualty of Aliquippa, Pa., on account of which Joe Futz had George Futz expelled from the Fire, Casualty & Surety Exchange of 84 under the "In-one-In-all" rule, put up a big sign across the road from the entrance to Feibeg's grove, that said:

Why Pay More?

"Preferred Rates For Preferred Risks. Save 28 percent on Your Auto-Ins. Why Pay More? Farmers Automobile Mutual Cas. Co. George Futz, Agt."

Some of the field men painted another sign to put up alongside of this one, but Joe Futz wouldn't let them do it, as he said he didn't want George to think he had got under his skin. The sign that the field men painted said:

"Tank Car to You. Hitest gas. 6 gals. 78c. Beautiful souvenir with every 8 gals. George Futz, Prop."

Aside from the speaking program there was nothing of a serious nature to mar the day's outing. The big recreational event was the horseshoe pitching contest of the policyholders vs. the field men. This resulted in a victory for the field men and the field men with the best scores had their \$3.75 registration fee refunded, they being Elmer R. Porter, Fidelity & Guaranty Fire, and F. W. Sippell, North America.

Willard L. Wesner, editor of the "Fieldman," house organ of the accident and health department of the Commercial Casualty and Metropolitan Casualty, is visiting relatives and friends in Chicago. He was assistant manager of the accident and health department of the allied companies in that city before being called to the home office.

**A FLEET OF TRUCKS
at YOUR SERVICE**

**RELIABILITY
and SPEED**

Modern merchandising methods require goods to be prominently displayed to obtain speedy turnover. Sales are lost when display windows are rendered useless.

Speedy plate glass replacements are essential. That's why it pays to have the American Glass with its fleet of speedy, reliable trucks, manned by experienced drivers and workmen handle your plate glass replacements.

A call will convince you!

AMERICAN GLASS CO.
1030-42 N. Branch St. CHICAGO



**TELEPHONE
MOHAWK 1100**

I. C. C. Gives Outline of Regulations Under New Act

(CONTINUED FROM PAGE 27)

other agreements other than surety bonds, policies of insurance, or qualifications as a self-insurer.

7. In order to afford reasonable security for the protection of the public, endorsements for policies of insurance, surety bonds, certificates of insurance and applications to qualify as a self-insurer and notices of cancellation must be in the forms prescribed and approved by this commission.

8. In order to afford reasonable security for the protection of the public, all policies of insurance as amended by endorsements must be written by insurance companies legally authorized to transact business in each state in which their policies cover the operations of the insured motor carrier.

9. In order to afford reasonable security for the protection of the public

no surety bond, policy of insurance, endorsement or certificate of insurance or other securities and agreements shall be cancelled or withdrawn until after 30 days' notice to this commission.

Dallas Claim Group Meets

The Dallas Claims Association, of which J. L. Davenport of the Texas Employers and Employers Casualty is president, had a very interesting program at its August meeting. The principal speakers were E. C. McDermott, Maryland Casualty, and B. L. Morrison, Travelers, both of whom discussed the relation and applicability of the Texas law on the question of hernia, which will be discussed further at the October meeting.

The question of fake or repeating claimants was also discussed and the exposure of several such claimants operating in that territory was reviewed.

The annual meeting will be held in September.

Organize Against Compulsory Law

PORTLAND, Me., Aug. 19.—In anticipation of a lively controversy in the Maine legislature next year over compulsory automobile liability proposed, based on the Massachusetts law, a committee to be known as the "Maine coordinating committee on financial responsibility legislation" has been formed.

The committee will prepare itself to oppose the compulsory plan and to present evidence in favor of a financial responsibility measure in its stead. It will also exert what influence is possible on the legislative recess commission now working on the problem.

The committee consists of L. M. Carroll, Norway, president Maine Automobile Association, chairman; Leon W. Helson, president Maine Association of Insurance Agents; A. E. Barnard, Portland, manager Maine Automobile Association, secretary; F. A. Richardson, Strong, master Maine State Grange; P. M. Israelson, Rumford, president Maine Auto Dealers Association; Dr. Owen Smith, Portland, president Maine State Chamber of Commerce; Danforth Hersey, president Maine Independent Oil Dealers Association.

AUTOMOBILE INSURANCE COMPANIES

Young man age 36, with 16 years Automobile Insurance experience, all lines, from office clerk to General Agent, has proven record as agency organizer and production man, can handle duties of 2 average field men including claims, agency supervisor, branch manager, special agent, desires connection with reliable company interested in reducing acquisition cost or increasing production. Will start any capacity.

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EXPLANATION OF FEDERAL BODY RULING

(CONTINUED FROM PAGE 27)

panies will be permitted.

Brokers must supply a bond of \$5,000, which must be written in companies qualified by the United States Treasury Department.

Although it was originally proposed that substantial cargo insurance be required, a minimum of \$1,000 was adopted.

No set rules governing the qualifications for self-insurers are established, but each applicant will be given individual consideration.

A standard endorsement for policies, surety bonds and self-insurer certificates and notices of cancellation must be on forms prescribed and approved by the commission. The motor carrier will not have to file its policies with the commission, as a certificate of insurance will be satisfactory.

In presenting its findings, the Interstate Commerce Commission commented extensively on the various provisions, explaining the reason for their adoption. In discussing insurance limits, the report said that statistics on inter-city buses show that the vast majority of individual claims are for \$500 or less. Claims over \$5,000 range from .5 to 1.2 percent of the number paid, while payments represent 18.5 to 45 percent of the total. The percentages are based on 10,579 paid claims aggregating \$3,086,577, covering a three-year period of country-wide experience. During this period there were 31 accidents in which more than one person was injured and the aggregate cost per accident exceeded \$10,000. The cost per accident ranged from \$14,000 to \$49,378, and the average cost per company varied from \$12,060 to \$25,300.

Most Claims Less Than \$500

Data of certain insurance companies and self-insurers on bodily injury liability on long haul trucks (operating more than 50 miles) showed that most of the individual claims are for \$500 or less, some companies reporting no claims over \$5,000 having been paid. Other companies reported that claims of that size range from .2 to 2.3 percent per company in number, but cost from 6.8 to 49.6 percent of the total. These percentages are based on 6,205 paid claims, totaling \$2,428,629 during a three-year period on country-wide experience. A group of the same companies report during a two-year period 13 accidents exceeding \$10,000, running from \$13,640 to \$42,064, or an average per company of \$13,639 to \$37,532. The insurance company data reflects only losses within the scope of their policies, but do not include losses sustained by carriers except for the amount of insurance carried. Complete information as to number of vehicles and extent of the operations covered by these figures is not available. About 4,500 buses and 20,000 trucks are represented. The conclusion is that only a negligible percentage of public liability claims cost more than \$5,000 each, but that such payments represent a substantial proportion of the total paid.

Property Damage Claims Small

Property damage claims are meager. One insurance agency had 208,480 claims over a four-year period, averaging \$9.50 each. Only three exceeded \$1,000 each. The figures included 26,408 baggage loss claims, averaging \$6.10, two of which exceeded \$1,500 each. A group of companies covering 3,500 trucks operating in 33 states paid 1,365 property damage claims averaging \$58. Two exceeded \$1,000 each.

The present cost of insurance when carried is said to range from about 5 percent of the gross revenue for the larger operators to about 15 percent for the smaller ones, the commission reports. It is said that the cost of insurance on the limits proposed by the Bureau of Motor Carriers would be more than the traffic could bear. Raising the limits of buses from \$5,000 per

person to \$10,000 would increase the premium 24 percent based on the National Bureau of Casualty and Surety Underwriters' manual. Increase from \$5,000 per person and \$10,000 per accident to \$10,000 and \$50,000, respectively, would increase the premium 59 percent and from \$10,000 to \$100,000, respectively, to 76 percent.

Increasing the limits proposed on trucks from \$5,000 per person and \$10,000 per accident to \$10,000 and \$25,000, respectively, would increase the cost 17 percent.

Consider Expense Angle

The majority opinion of the commission was that higher limits of liability are desirable but the expense angle must be given practical consideration. A large number of carriers have not been protected by any kind of insurance. These include those known as contract carriers which will now be included as common carriers, and those carriers operating in states which have no insurance requirements. The expense of furnishing insurance will prove a burden to many of these small operators not hitherto borne by them. In addition there will be other expenses imposed by the act such as compiling and filing tariffs and installing safety devices. "It is to be expected that it will be possible in the future without undue burden to increase the limits of liability beyond those now prescribed," said the commission. "We anticipate that the insurance companies and the commission will acquire a broader and more accurate experience on the losses and such experience will in time justify a reduction in premium rates. Insurance companies undoubtedly have charged rates which are designed to protect them against all hazards and have not failed to make their charges amply large to cover these unknown contingencies. Again, the experience of the insurance companies, upon which their rates are based, has included both regulated and unregulated motor vehicles, and it is anticipated that with safer operation, which should follow regulation, the losses will decrease and will be attended by a corresponding decrease in premium rates. After a period of operation under regulation, it is anticipated that a more stable condition in the industry will follow, which will enable motor vehicle operators to purchase insurance for higher limits without undue burden."

States Have Limits

The actual limits adopted are comparable to the limits imposed by a large majority of the states and in states having higher limits many interstate operators will also be operating intra-state and be required to furnish insurance up to such limits. The commission feels that under the circumstances its best judgment for the present sets the limit at the low figure.

In a minority opinion Commissioner Caskey opposed the adoption of the \$5,000 minimum requirement. It does not afford adequate protection to the public and that protection will be insufficient to safeguard the investment of the small operator in the event he meets with a serious accident, he said. He believes that a \$10,000 minimum on a single passenger and from \$20,000 to \$75,000 for all passengers is a reasonable requirement.

Wide Range of Value

In presenting its reason for setting the cargo insurance at \$1,000 to \$2,000, the Interstate Commerce Commission said that although it is generally admitted that there is a need for cargo insurance requirement, as shippers in general are inadequately protected, there is a wide range in the value of cargoes.

Data submitted by 147 members of the Inland Marine Underwriters Association, writing 90 percent of the total inland marine business in 1935, show

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that for 1933-35 motor truck cargo insurance paid losses totaled \$5,834,910 on 35,596 individual claims, averaging from 10 cents to \$28,865, the average being \$165, \$160, and \$165 for the three years. The total loss on claims over \$2,500 was \$1,640,893. In 1933 .82 percent of the number of claims were for amounts over \$2,500, representing 25.8 percent of the loss. In 1934 the percent was .79 and 28.8; in 1935, .92 and 29.4. As the amount of insurance carried limits the liability of the insurance company, the companies are unable to supply information on actual losses.

No Fidelity Required

Consideration was given the requiring of fidelity insurance covering C. O. D. shipments, embezzlements, etc. As C. O. D. service is not general, it was decided not to require such coverage. Cargo insurance is not required of carriers of passengers, inasmuch as there is no demand for this protection and such losses are generally small in value.

The commission summed up its attitude on cargo insurance as follows:

"Cargo insurance is furnished which protects both the carrier and the shipper, and which covers not only the ordinary features of cargo insurance but certain other hazards as well. The expense of this insurance is divided between the shipper and carrier, and carriers' transportation charges are reduced to that extent. Cases are now pending before the commission on which this question is raised directly. It is believed desirable to determine this question in a proceeding in which it is made a direct issue rather than in a proceeding of this kind. We will, therefore, not pass upon this question at the present time."

Caskie Has Objection

The cargo insurance requirements did not meet the approval of Commissioner Caskie. In his minority opinion he says the limits will not afford adequate security and that they are substantially less than those recommended by the American Trucking Association. The effect of the lower limits will be to impose upon the shippers in many instances the duty of carrying their own insurance. He feels that the limit should be not less than \$2,000 for one vehicle and \$5,000 for the aggregate.

A standard form of endorsement to be attached to policies issued to motor carriers has been adopted by the commission. It will describe the insurance coverage which is required by the commission and will provide that the endorsement is paramount to any term or condition of the policy or to any other endorsement.

The commission will not consider it necessary to file the insurance policies with it. A certificate of insurance from the insurance company declaring that the prescribed form of endorsement has been attached to the policy, together with a description of the policy, indicating its effective date, date of termination, party's number, territorial limits covered, will suffice.

Bonded Carriers' Limit

Bonded carriers will not be permitted to furnish less security than that prescribed for insured carriers. An open penalty bond will be required on which the premium is \$10 per annum per \$1,000 or 1 percent on the maximum limit of bodily injuries for each vehicle. The bond guarantees payment by the surety if the carrier defaults.

In another rule proposed by the Bureau of Motor Carriers it is suggested the insurance be written by one company for the full limits prescribed in order to avoid the complications caused by a combination of primary and excess insurance. It is held that the cost of primary and excess insurance is much less than for a single policy and although there may be some delay in settling a claim under the two policies, no definite stand was taken on the subject. "It is desirable for the coverage, if possible, to be written under one policy, and the general practice is in this direction, especially if the policy limits are such as

to provide for all contingencies," said the commission.

It was originally proposed that the \$250,000 minimum surplus be adopted. Certain small companies say that their policies would be unacceptable under this standard and they would sustain serious financial losses and that if the requirement were in force there would be a dearth of companies with a resultant trend towards monopoly and higher rates. An analysis of the business written by the small companies discloses that they have covered none of the interstate buses and a negligible number of long haul trucks. While it may be conceded that the surplus of an insurance company is not the only measure of solvency, it is desirable that there be some standard of financial responsibility. It is also urged that a domestication rule would set a sufficiently high standard. It is conceded, however, that some companies which are authorized to do business in certain states could not qualify in others. The mutual companies, according to the commission, offered evidence in support of their position that some value should be attached to the assessment feature of their policies and allowance therefor should be made in the capitalization standard.

Standards Difficult

One of the most difficult questions in regard to motor truck insurance requirements is in determining the standards of eligibility and responsibility of insurance companies, said the commission. It probably will be necessary in the development of regulations to prescribe standards for companies writing insurance for protecting the public, but the commission said it is confronted with the difficulty that neither it nor any other federal department now possesses facilities or time for investigation in determination of the responsibility of insurance companies, financial or otherwise. The various states through their existing insurance departments do have these facilities, said the commission.

For the time being, until the commission is better prepared for the performance of this duty, it will be guided by the standards for insurance companies acceptable to the state. The commission will require that insurance companies be legally authorized to transact business in each state in which the policy covers the operation of the insured motor carrier. This may impose a hardship on companies which for reasons of their own do not desire to enter certain states. The question of the ability of reciprocal and mutual companies to qualify arises, for the reason that in some states there is no provision in the law for licensing insurance institutions of this kind, said the commission. For this reason some companies which may desire to write insurance for a particular motor carrier may not be able to do so under the rule. However, many of the carriers that come under the commission's regulation are operating interstate under the regulation of the states and most states require that the insurance be written in domesticated companies. The commission's rules do not limit the carrier to the furnishing of one single policy. The carrier may furnish a policy written by some company domesticated in each state, even though he may have to furnish more than one policy or some other form of security covering portions of his operation.

It is generally conceded that the self-insurance requirement should be stringent and carriers availing themselves of this privilege should maintain adequate reserves to meet claims, said the commission. After due consideration the commission decided that no standards for self-insurance would be prescribed but the merits of each individual case would be considered.

The rules are applicable to carriers engaged in interstate commerce, even though they do not cross state lines, the commission held. It would be clearly unfair and discriminatory if uniform provisions were not required, it said.

Among the insurance representatives

who presented testimony at the Interstate Commerce Commission's hearings were: John H. Awtry, Bowes, Awtry & Co., representing the National Standard and First Reinsurance Co.; W. E. Benoy, Builders & Manufacturers Mutual attorney; G. E. Crisp, American Mutual Liability; H. Economidy, Lloyds America; David J. Kadyk, London Lloyds; S. A. Markel, American Fidelity & Casualty; Daniel V. Howell, Casualty Reciprocal Exchange.

SAFETY REGULATION PROPOSED

The Interstate Commerce Commission's Bureau of Motor Carriers has issued a booklet of proposed safety

regulations applicable to motor carriers subject to the motor carriers' act of 1935. The proposal is the result of a survey of safety organizations' recommendations and provides for strict regulations.

Underwriters who have frowned on motor carrier risks in the past feel that the line will be more satisfactory from an underwriting standpoint when strict standard safety regulations are enforced.

John McGurk, Indianapolis manager of the Mutual Benefit Health & Accident Association and United Benefit Life, will move Oct. 1 from 732 Circle Tower to larger offices on the second floor of the Test building, Monument Circle and Market street.



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Pennsylvania Collects From Sureties on Fraud Checks

The state of Pennsylvania has collected \$97,822, plus \$31,971 interest from the Indemnity of North America, Southern Surety, Globe Indemnity, Fidelity & Deposit and American Surety in connection with cattle fraud checks drawn against banks for which these companies were sureties. Suits were started against the surety companies in 1931. G. H. Thomas, former employee of the department of agriculture, and C. G. Stark of Harrisburg were given jail terms when they pleaded guilty to drawing checks to the order of non-existing persons, purporting to be in payment of indemnity on condemned cattle.



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Palmer Appeased by Voluntary Cut

(CONTINUED FROM PAGE 3)

by its members. These reductions, the board points out, are in addition to a material reduction made in 1935 on the dwelling class.

The reduction of the fireproof rates was on the point of being put into effect when controversy developed because of the proposal that the commission scale on such business be reduced at the same time.

Illinois Inspection Bureau announces that it is preparing a revision of the dwelling schedule which will produce a reduction of about 5 percent for one or two family dwellings with approved roofs in cities and towns with the better grade of fire protection.

Continued Favorable Record

The bureau observes that it has long been the practice of companies periodically to review underwriting conditions and practices in the state and make such changes as conditions warrant and demand. A review of the advance figures for the past five years, including 1935, the bureau states, indicates a continued favorable record in spite of a materially reduced premium income.

Recognition of this favorable experience, according to the bureau, was given on Dec. 1, 1935, by the publication of a reduction of about 20 percent in the general level of rates on public buildings, churches and schools, and again this spring by the publication of a reduction of about 25 percent in the level of rates on buildings of fireproof and incombustible construction. Continuing this policy, the bureau states it is preparing a revision of the dwelling schedule.

The inspection bureau reviewed some of the more important rate reductions that have been put into effect during the past few years, "in the ordinary course of our work and without any general public announcement."

Reduction in 1929

There was a reduction of about 25 percent in all dwelling rates in northern Illinois in 1929. There was a reduction of about 60 percent in the charge for the use of the inherent explosion clause in 1931.

The windstorm policy was extended to include hail coverage at a reduction of about 60 percent in 1933.

The windstorm rates on dwellings were reduced about 10 percent in 1935.

Changes in rates on buildings of fireproof construction that were published in 1929, '34 and '36, resulted in a reduction of about 50 percent in the general level of rates.

The rates on public buildings, churches and schools of all classes of construction were reduced about 20 percent in 1935.

Mercantile and Manufacturing

On general mercantile and manufacturing properties of ordinary construction, the rates were cut about 12½ percent in cities and towns with fire protection in 1929.

All of these changes resulted in a reduction of about \$1,750,000 per year in premiums to policyholders in Illinois, outside Chicago. Numerous other changes have been put into effect that not only effected savings to the policyholders but also provided for a broader and more liberal contract. This has been done in spite of a general reduction in premium income since 1929 of about 33½ percent.

No general changes in underwriting practices, insurance forms, extensions and liberalities of the contract have been put in effect in surrounding states that have not also been put into effect in Illinois.

City Hall Was Jolted

The news of the 5 percent rate reduction caused consternation in the Chicago city hall. Shortly after Insurance Director Palmer of Illinois started the agitation for the 10 percent reduction on homes and apartment buildings throughout the state, Mayor Kelly announced

that Corporation Counsel Hodes had been instructed to survey the figures and take action looking to a rate reduction on all classes in Chicago. The action of the Chicago Board and Illinois Inspection Bureau was taken without consulting the city hall and the news was pretty much of a bombshell there. A representative of THE NATIONAL UNDERWRITER was outside the corporation counsel's office and observed one of the assistants rush into Mr. Hodes' private office with a copy of the news release about the rate reduction. A hurried conference was called with other assistants in the office and in the morning newspapers appeared a statement from the mayor that he was going to demand a 25 percent reduction in the city.

The mayor wanted to get some credit as a property saver by being able to announce a rate reduction but he was left out in the cold this time. The news was given out in Springfield by Insurance Director Palmer, who claimed it as a victory for his cause. Gov. Horner also appeared as a hero in this move.

Neither the mayor nor corporation counsel has undertaken to cite any authority for demanding a rate reduction in the city. They merely would like to have such a reduction and get the credit for it. The City Hall was not apprised of the forthcoming move on the part of the Chicago Board and Illinois Inspection Bureau and it was jolted when the news broke. Insurance people evidently decided that the city administration had no power of any kind and that the wise move was to appease Mr. Palmer and the governor, even at the risk of stirring up the city hall.

On Saturday Assistant Corporation Counsel Danaher notified the Chicago Board that the reduction in rates in Chicago should be 25 percent.

Agents Are Disturbed

Insurance agents throughout the state were disturbed by this 5 percent rate reduction, particularly because it was so prominently featured in the daily newspapers. The amount of the reduction did not disturb them, but coming on top of a series of rate reductions, it was distasteful.

As soon as the stories appeared in the papers, agents began to get requests for rebates on existing policies. These demands were very annoying, because the reduction is only 1 cent for \$100 of liability and the average policyholder only benefits to the extent of 50 cents or so. If the news had not been carried so extensively by the newspapers, such a demand would not have developed.

Agents were also troubled because a good many of them have written up their October policies and sent them out. Inasmuch as the rate reduction is effective Oct. 1 most of these policies will have to be rewritten.

In his letter to the Chicago Board, Mr. Danaher recalled that on July 22, Mayor Kelly instructed the corporation counsel to seek a reduction in fire insurance rates.

Mr. Danaher stated that in 1904 the fire loss in Chicago was \$4,875,577 and premiums were \$8,727,074. In 1935, fire losses amounted to \$3,248,605 and premiums \$15,876,762. Mr. Danaher found significance, he said, in the fact that losses had decreased about \$1,500,000 in that span of years, while premiums had gone up about \$7,000,000. Therefore, he argues, there should be a further substantial reduction in rates.

Danaher in the letter tells about the fine fire fighting and prevention departments in Chicago. Because of the efficiency of the fire fighting facilities, according to Danaher, Chicago deserves to be given a classification other than that of municipalities that have not taken and pursued such measures.

Consideration, he said, should be given to the fact that there has been widespread development of fireproof construction in the last 30 years. In

1905, he said out of 2,247 buildings in the central district only 157 were fireproof. About 300 were sprinklered. The balance were combustible. This condition has changed decidedly and numerous buildings which constituted fire hazards have been replaced by fireproof buildings.

There is a decided decrease in damage when fires occur. Many fires are extinguished before a material loss is suffered.

Thrifty Home Owners Now Afford Excellent Prospects

(CONTINUED FROM PAGE 5)

"It is obvious of course, that it is to the advantage of the agent who carries the fire risk on the home that he also write the miscellaneous lines and keep as close to his client as possible in which event he is quite likely to have something quite sizable drop into his lap some day—bearing in mind that the sort of people I have in mind are somewhat above the middle class.

"It should be possible to write 50,000 such risks throughout the country, which at an average premium of \$100 would mean \$5,000,000 of new business on the books, quite a sizable amount.

Errand Boys Are Used

"Probably every agent cannot reach or write this higher class of 'thrifty home owners.' There may not be opportunities everywhere, although it would seem as if every large city in the country had its exclusive sections where such protection is needed. However, there are those who have the proper approach and can write these miscellaneous coverages, and they are doing it for us.

"How is it done? Well, I have in mind some agents who have taken young men into their offices as errand boys. They use them for collectors and to deliver policies. It has been instilled into these young men that they should look around for opportunities for selling additional protection when they are out on such errands. They come back with the tips and then the regular agent goes out after the business. It is good training for the new men, it adds to the agents' business, and makes a very fine arrangement at little expense.

Special Agents Assist

"Then again we have made a practice, in this particular campaign for miscellaneous lines among the home owners, of holding up the delivery of fire policies until the special agent can come in and go out with the delivery agent, at which time the special aids the agent in pointing out and closing the additional coverages.

"As I said before, we first tried this in my own home town of Lexington, and it worked. And now we are doing it all over the country and \$500,000 worth of business in less than a year from residence liability, burglary, and residence boiler insurance is pretty good evidence that there is some practical merit in the idea of more intensive soliciting of the 'thrifty home owners.'

Probe of Ohio Commission

COLUMBUS, Aug. 19.—The welfare committee of the Ohio senate is to meet this week to consider a report of a subcommittee which severely criticized the work of the state industrial commission and the statement of the commission in reply to the report. The subcommittee recommended the removal of two major employees of the commission and criticised another. In its statement the commission charged that some of the committee's investigators had previously represented employers against whom premium shortages were reported.

Cecil Hart, well known Montreal broker, has been appointed manager of the Canadiens, member of the National Hockey League. He has been interested in sport for many years.



Organized 1873

ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	1,037,080.82
	<u>\$3,065,940.30</u>

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	<u>\$3,065,940.30</u>

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